

General conditions of Velmans Industries Holding b.v.

General

Article 1 Applicability and definitions

1. These General Conditions for Delivery are part of tenders and agreements concerning the performance of deliveries and/or services by the supplier, all clauses of these conditions shall be operative between the parties, insofar there has been no explicit amendment in writing by both parties. A reference by the purchaser to his own conditions of purchase, invitations to tender or other conditions will not be accepted by the supplier.
2. In these general conditions the other party means: the natural person or statutory body, who according to sub 1, receives offers from us, sends offers to us or closes agreements with us.
3. In these general conditions tooling means: thud- and bendtools, patterns, special tools and equipment.
4. In case one of more conditions from these general conditions appear to be invalid, this has no effect on the validity of the other conditions
5. The though the other party before or during the conclusion of the agreement given adress, will be handled by us for the making of statements or announcements to the other party, till the other party announces written the new adress.

Article 2 General conditions of the other party and differitiate agreements

1. The general delivery-, payment-, or/and purchasingconditions of the other party do not apply to our offers and with the us concluded agreements.
2. Agreements between us and the other party that differitiate with our general conditions are only valid in case we confirmed them in written.

General conditions for sales and delivery

Article 3 Tender

1. Every tender made by the supplier is without engagement. In case an offer is accepted by the other party, we still have the right to revoke

the offer within 5 working days after te receipt of the acceptance.

2. Every tender is based on the performance by the supplier under the agreement under normal circumstances and during normal working hours.
3. All information and data contained in brochures and price lists are binding only to the extent that they are by reference expressly included in the agreement.
4. In case our offer doesn't lead to an agreement with the other party, the other party will return all in sub 3 mentioned objects post-free.

Article 4 Agreement

1. If an agreement has been entered into in writing, it is entered into on the day the contract is signed by the supplier, or the day the written order confirmation has been mailed by the supplier respectively. The orderconfirmation is believed to reproduce the contents of the agreement, unless the other party has explicitly objected in written.
2. By additional work is meant everything the supplier, in consultation with the purchaser, whether in writing or not, delivers and/or installs during the performance under the agreement exceeding the quantities explicitly laid down in the contract or in the order confirmation, or if the supplier performs more activities than explicitly laid down in the contract or order confirmation.
3. Verbal promises by and arrangements with subordinate employees of the supplier shall only bind the supplier after having been confirmed as such by the latter in writing.

Article 5 Price

1. Unless mentioned otherwise our prices are based on:
 - delivery ex works according to the Incoterms prevailing on the date of tender,
 - exclusive B.T.W., other government levies and taxes,
 - exclusive costs for packaging, loadind/unloading, transportation and insurance,
 - Dutch currency or EURO,
 - the condition of the present currency rate.
2. If one or more elements of cost prices are subject to an increase after the date of entering into an agreement - even if this occurs due to foreseeable circumstances - the supplier is entitled to increase the price agreed upon accordingly, after mutual consultation without the other party having the right to dissolve the agreement.

Article 6 Tools

1. Unless otherwise agreed tools are provided by the supplier to be used exclusively in fulfilment of the agreement, shall be paid by the purchaser and shall, when fully paid, become his property. The supplier shall clearly mark the tools belonging to the purchaser.
2. Where, according to the agreement, the supplier shall provide tools, the purchaser shall reimburse the supplier's costs for replacement or repair of these due to normal wear and tear or other causes for which the supplier is not responsible.
3. The supplier shall be entitled to retain tools that he has provided under the agreement, when it can be reasonably concluded that his technical know-how will otherwise be disclosed and that the disclosure will cause significant loss to the supplier. The supplier shall in such case reimburse the purchaser the value of that which he retains.
4. The supplier shall store the tools until deliveries under the agreement have been completed. Tools belonging to the purchaser which remain in the supplier's care after deliveries under the agreement have been completed, shall be stored by the supplier at the purchaser's risk and expense.
5. The supplier shall, at the purchaser's request, insure the tools in his care which are the purchaser's property. The purchaser shall reimburse the supplier the cost of such insurance.
6. The purchaser shall bear the risk and expense of all transport of the tools to and from the supplier.
7. The purchaser shall indemnify and hold the supplier harmless against all claims based on infringements of patents, trademarks or other property rights, where such claims result from the manufacture of the products by using a specification, drawing, sample, or tool provided by the purchaser.
8. All the supplier's obligations regarding tools shall finally cease three years after the deliveries under the agreement have been completed. Where practicable, the supplier shall inform the purchaser before disposing the tools.

Article 7 Drawings and descriptions

1. All drawings and technical documents relating to the products or their manufacture submitted by one party to the other, prior or subsequent to

the formation of the agreement, shall remain the property of the submitting party.

The supplier shall not be obliged to provide manufacturing drawings for the products or parts.

Drawings, technical documents or other technical information received by one party shall not without the consent of the other party, be used for any other purposes than those for which they were handed over, such as assembly, installation and maintenance of the products. Without the consent of the party submitting the information, they shall not otherwise be used or copied, reproduced, transmitted or communicated to a third party.

2. If either party wants a modification of the technical specifications of the products he shall submit his proposals in writing to the other party who shall respond in writing within 30 calendar days.

Article 8 Packaging and transport

1. "Packaging materials" such as packing (pallets, set-up walls, europallets etc.) and special boxes are charged to the purchaser when delivery takes place. In case the purchaser returns these packaging materials undamaged and at his own expense, a credit note will be sent about the value of the packaging materials returned.

If, under the agreement, the purchaser shall provide packaging materials, he shall provide them in good condition to the supplier at the time and the site specified by the supplier.

2. The purchaser shall on arrival of the products examine whether the product's time of arrival, condition and quantity conform to the dispatch note. The purchaser shall immediately inform the supplier of any discrepancies or possible claims against the transporter.

Article 9 Time for delivery – delay

1. If, instead of specifying the date for delivery, the parties have specified a period of time on the expiry of which delivery shall take place, such period shall start to run on the date when the supplier receives the purchaser's order or the date of formation of the agreement, whichever is the later.
2. If the supplier anticipates that he will not be able to deliver the products at the time for delivery, he shall forthwith notify the purchaser thereof in writing, stating the reason and, if possible, the time when delivery can be expected.
3. If delay in delivery is caused by any of the circumstances mentioned in Clause 15 or by an act or omission on the part of the purchaser,

including suspension under Clauses 11 or 16, the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

4. If the purchaser anticipates that he will be unable to accept delivery of the products at the delivery time, he shall forthwith notify the supplier thereof stating the reason and, if possible, the time when he will be able to accept delivery.

If the purchaser fails to accept delivery at the delivery time he shall nevertheless pay any part of the purchase price which becomes due on delivery as if delivery had taken place. The supplier shall arrange for storage of the products at the risk and expense of the purchaser. The supplier shall also, if the purchaser so requires, insure the products at the purchaser's expense.

5. Unless the purchaser's failure to accept delivery is due to any such circumstance as mentioned in Clause 15, the supplier may by notice in writing require the purchaser to accept delivery within a final reasonable period.

If, for any reason for which the supplier is not responsible, the purchaser fails to accept delivery within such period, the supplier may by notice in writing terminate the agreement in whole or in part. The supplier shall then be entitled to compensation for the loss he has suffered by reason of the purchaser's default. The compensation shall not exceed that part of the purchase price which is attributable to that part of the products in respect of which the agreement is terminated.

Article 10 Assemblage/installation

1. The purchaser is responsible towards the supplier for performing correctly and on time all installations, provisions and/or conditions necessary for the erection of the products to be installed and/or for the correct operation of the product in installed state on time, save if and insofar this performance is done by or on the behalf of the supplier according to data presented and/or drawings made by or on behalf of the latter.
2. Without prejudice to the provisions sub 1, the purchaser shall in any case see to it at his own expense and risk that:
 - a. employees of the supplier can commence and continue their work during normal working hours from the moment they arrive at the place of installation and, moreover, if the supplier deems it necessary, outside of normal working hours provided that the purchaser has been notified in time;

- b. suitable accommodation and/or all provisions under Government ordinances, the agreement and common use will be available to the employees of the supplier;
 - c. the access routes to the place of installation are fit for the required transportation;
 - d. the assigned place of erection is fit for storage and installation;
 - e. the necessary lockable depositories for materials, tools and other goods are available;
 - f. the necessary and usual workmen, auxiliary tools, auxiliary and industrial materials (fuels, oils and greases, cleaning and other small materials, gas, water, electricity, steam, compressed air, heating, lighting, etc. included), and the usual measuring and testing instruments of the company of the purchaser are in the right place at the disposal of the supplier on time and free of charge;
 - g. all necessary safety and precautionary measures have been taken and shall be maintained, and that all measures have been taken and shall be maintained in order to satisfy the appropriate Government regulations with respect to installation;
 - h. the mailed products are at the right place at the beginning of and during the installation
3. Damages and costs which arise because the conditions stated in this article have not been fulfilled or have not been fulfilled on time are for the purchaser's account.

Article 11 Inspection and acceptance test

1. The purchaser shall inspect the product at the latest within 14 days after delivery or – if installation has been agreed upon – at the latest within 14 days after installation. If this term passes without written and specified notification of well-founded complaints, the product is assumed to have been accepted.
2. If an acceptance test has been agreed upon, the purchaser shall give the supplier the opportunity to perform the necessary tests and to apply those improvements and modifications which the supplier finds necessary after receipt or, if installation has been agreed upon, after installation. The acceptance test shall be performed immediately upon request of the supplier in the presence of the purchaser. If the acceptance test has been performed without specified and well-founded complaints, and if the purchaser does not meet said obligations, the product is assumed to have been accepted.
3. The purchaser shall put the necessary facilities, including those referred to in art. 9 sub 2 f, as well as representative samples of materials to be processed in sufficient quantities, on time, free of charge and in the right place at the disposal of the supplier for the acceptance test and for possible other tests, in order to stimulate the circumstances of use of the product anticipated by the parties to the

greatest extent possible. If the purchaser does not fulfil this, paragraph 2, the last sentence, applies.

4. In case of minor shortcomings, especially those which hardly or do not at all influence the anticipated use of the product, the product will be assumed to have been accepted despite these shortcomings. The supplier shall remedy such shortcomings as yet as soon as possible.

Article 12 Payment

1. Payment of goods and/or services will take place within 30 days from date of invoice. Payment of the tools will take place in two terms:
50% on the day the agreement came into being;
50% after approval of the first product.
2. Payment of additional work shall take place as soon as the purchaser has been charged for this and after the approval of the purchaser.
3. All payments shall be made without any deduction or setting-off at the office of the supplier or into an account designated by him.
4. Whatever the means of payment used, payment shall not be deemed to have been effected before the supplier's account has been fully and irrevocably credited.
5. If the purchaser does not pay within the period agreed upon, he is considered in default by right and the supplier may without any notice of default charge interest at a rate of 3 points above the EURIBOR counting from the expiry date as well as charge all judicial and extrajudicial costs in connection with the claim.

In case of late payment the supplier may, after having notified the purchaser in writing, suspend his performance of the agreement until he receives payment. If the purchaser has not paid the amount due within three months the supplier shall be entitled to terminate the agreement by notice in writing to the purchaser and to claim compensation for the loss incurred. The compensation shall not exceed the agreed price.

6. In case of liquidation, bankruptcy or suspension of payment of the purchaser the receivables of the supplier and the obligations of the purchaser towards the supplier can be claimed immediately.

Article 13 Transition of risk and ownership

1. As soon as the product has been delivered, the purchaser bears the risk for all direct and indirect damage that may occur on or on account of this problem, except insofar the damage is the result of the supplier's gross

negligence. If the purchaser remains in default for taking up the product after having received a notice of default, the supplier will be entitled to charge all costs of storage and interest costs of the product to the purchaser.

2. Without prejudice to the last paragraph, the ownership of the product passes to the purchaser only when all debts of the purchaser to the supplier for deliveries or work, including interest and costs, have been paid for in full.
3. The case occurring the supplier shall have the right of unhindered access to the product. The purchaser shall give all co-operation to the supplier in order to provide the supplier the opportunity to execute the retention of ownership as stated in paragraph 2 by taking back the product, dismantling included if necessary.

Article 14 Liability for defects

1. Pursuant to the provisions of Clauses 2-13 inclusive, the supplier shall remedy any defect resulting from faulty materials or workmanship. Every design executed by the supplier has to be approved of by the purchaser before production. The purchaser accepts at all times full responsibility for the design.
2. The supplier's liability is limited to defects which appear within a period of one year from delivery.
3. When a defect in the products or a part thereof has been remedied, the supplier shall be liable for defects in what has been remedied under the same terms and conditions as those applicable to the original products during a period of one year.
4. The purchaser shall without undue delay notify the supplier of any defect which appears. Such notice shall under no circumstances be given later than two weeks after the expiry of the period given in Clause 2 as extended by Clause 3.
Where the defect is such that it may cause damage, the notice shall be given immediately. The notice shall contain a description of the defect.
If the purchaser does not notify the supplier of a defect within the time-limits set forth in this Clause, he shall lose his right to have the defect remedied.
5. On receipt of the notice in writing under Clause 3 the supplier shall remedy the defect without undue delay and at his own cost as stipulated in Clauses 1-13 inclusive.

Repair shall be carried out at the supplier's premises unless he finds it appropriate to have the repair carried out where the products are located. The purchaser shall at the request of the supplier arrange for transport of the

products to the supplier. The purchaser shall follow the supplier's instructions regarding such transport. The supplier has fulfilled his obligations in respect of the defect when he delivers to the purchaser duly repaired or replaced products.

6. If the purchaser has given such notice as mentioned in Clause 4, and no defect is found for which the supplier is liable, the supplier shall be entitled to compensation for the costs he has incurred as a result of the notice.
7. The purchaser shall at his own expense arrange for any dismantling and reassembly of equipment other than the products, to the extent that this is necessary to remedy the defect.
8. Unless otherwise agreed, the purchaser shall bear any additional costs which the supplier incurs for repair and transport as a result of the products being located in a place other than the destination stated in the agreement or – if no destination is stated – the place of delivery.
9. Defective products which have been replaced shall be made available to the supplier and shall be his property.
10. If, within a reasonable time, the supplier does not fulfil his obligations, the purchaser may, by written notice, fix a final time for completion of the supplier's obligations. If the supplier fails to fulfil his obligations within such final time, the purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the supplier.

Where successful remedial works have been undertaken by the purchaser or a third party, after the supplier has given permission to it and the costs related with this have been agreed before, reimbursement by the supplier of reasonable costs incurred by the purchaser shall be in full settlement of the supplier's liabilities for the said defect.

11. The supplier is not liable for defects arising out of materials provided or specified by the purchaser.
12. The supplier is liable only for defects which appear under the conditions of operation provided for in the agreement and under proper use of the products.

The supplier's liability does not cover defects which are caused by faulty maintenance, incorrect assembly or installation or faulty repair by the purchaser, or by alterations carried out without the supplier's consent in writing. Finally the supplier's liability does not cover normal wear and tear or deterioration.
13. Save as stipulated in Clauses 1-12, the supplier shall not be liable for defects. This applies to

any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation of the supplier's liability shall not apply if he has been guilty of gross negligence.

14. The supplier is only liable for damage suffered by the purchaser, which is the direct and exclusive consequence of an accountable shortcoming of the supplier, but for indemnification only that damage is considered against which the supplier is insured, or reasonably, in view of the received customs in the sector of industry should have to be insured.

Article 15 Division of liability for damage caused by the product

The supplier shall not be liable for any damage to property caused by the products after their delivery and whilst they are in the possession of the purchaser. Nor shall the supplier be liable for any damage to products manufactured by the purchaser, or to products of which the purchaser's products form a part. If the supplier incurs liability towards any third party for such damage to property as described in the preceding paragraph, the purchaser shall indemnify, defend and hold the supplier harmless.

Article 16 Force majeure

1. Either party shall be entitled to suspend performance of his obligations under the agreement to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war (whether declared or not), extensive military mobilisation, insurrection, requisition, seizure, embargo, restrictions in the use of power and defects or delays in deliveries by sub-suppliers caused by any such circumstances referred to in this Clause.

A circumstance referred to in this Clause which had occurred prior to the formation of the agreement shall give a right to suspension only if its effect on the performance of the agreement could not be foreseen at the time of the formation of the agreement.

3. The party claiming to be affected by force majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

If force majeure prevents the purchaser from fulfilling his obligations, he shall compensate the supplier for expenses incurred in securing and protecting the products.

3. Regardless of what might otherwise follow from these general conditions, either party shall be entitled to terminate the agreement by notice in

writing to the other party if according to sub 1 the performance of the agreement is suspended for more than six months.

Article 17 Anticipated non-performance

Notwithstanding other provisions in these conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the agreement, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the agreement shall forthwith notify the other party thereof in writing.

Article 18 Consequential losses

Save as elsewhere stated in these conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of agreements or for any consequential, economic or indirect loss whatsoever. The supplier is willing to take out the risks of consequential losses in his business liability policy. If required, the supplier will provide to the purchaser a copy of the policy.

Article 19 Intellectual property and patents

1. None of the parties can exercise any obstructions to the other party in the use of the knowledge present at the other party.
2. The proprietary right of knowledge, which is or has been informed by one party to the other party or otherwise made accessible, remains exclusively reserved to the party which had the knowledge in its property before the point of time of transfer of knowledge.
3. Unless the contracting parties have agreed upon otherwise on an ad hoc basis, according to the provisions of subsection 2 of this article, they shall both obtain the ownership of the results from and the reports and other documents or computer data of a certain project.
4. The application for a patent for specific knowledge is exclusively reserved to the party which has the concerning knowledge in accordance with the former subsections of this article in complete property. Such applications are completely for the account and risk of the applying party. Antecedent to the party that applies for a patent, the party will inform per registered letter the other party of the subject of the patent application if this is among ? the effect of this agreement. Unless one of the parties abandons its right per registered letter it will only be possible to apply for a complete patent on knowledge, by which the costs for taking out and maintaining of the patent position are born, going beyond the costs for activities of

own personnel, pro rata of everyone's contribution in the project, drawn up at the end of it and certified by a certified accountant, appointed by both parties.

5. If some third party infringes a patent or an application for a patent resulting from the project, parties will immediately inform each other in case this is stated. Parties will decide in good consultation about the actions being followed in order to resist the infraction, by which the costs for a possible judicial procedure will be divided on the same basis as the division of costs for the patent position mentioned as agreed in subsection 4 of this article.

Article 20 Secrecy

1. Parties will observe strict confidentiality with regard to each other's organisation, of the results of the project, if appropriate, and of other investigations at the other party. Parties will do everything possible to prevent that through own publications or announcements to third parties the obtaining of patents from the project comes in danger. Subject to previous written permission of the other party, each of the parties will not place information, which is at its disposal, at the disposal of third parties and to its personnel among which included third parties which under this agreement work among ? their responsibility, only announce so far this is necessary for doing the achievements agreed.
2. Parties will oblige their personnel to fulfil the secrecy mentioned in subsection 1 of this article.
3. The obligation of secrecy mentioned in subsection 1 with regard to the results of the project will end 5 (five) years after consultation of the information in question.
4. The obligations of secrecy mentioned in subsection 1 will end if and sofar this information has been made public or if the other party, to the satisfaction of the other party, can prove that the information was already in its possession or has come in its possession by a party which is not bound to any secrecy and proves not to be a party under the agreement concerned.

Article 21 Publications

Only after written permission of the other party, parties will publish information with regard to the results of any project for scientific or commercial aims by publication or speech. The other party is entitled to make conditions to this permission. Each of the parties will decide within 1 (one) month after receipt of a request of the other party till publication on that request. If the other party has not decided on the request within this term, it is considered to have agreed to the request.

and also the cost of packing, unless specifically agreed otherwise in writing.

2. The supplier is not entitled to increase prices unilaterally accordingly for what reason.

Article 26 Tooling

1. Tooling provided by the purchaser, shall remain the purchaser's property. The purchaser shall pay the supplier for any work necessary to adapt or supplement such tools.
2. The supplier shall not, without the purchaser's consent, use the purchaser's tools for any other purpose than fulfilment of the agreement. Nor shall such tools be handed over to or otherwise be brought to the knowledge of a third party.

Article 27 Quality

The products need to be in conformity with the agreed requirements, specifications, conditions, drawings, samples etc. and need to comply with the requirements from or on behalf of the Dutch authorities during delivery. Any certificates, testimonials, certificates of origin packing lists, instruction books, spare lists and maintenance instructions and such-like belong to the delivery and need to be delivered at the spare time or sooner than the products. Obscurities in the drawings and/or specifications of the supplier, need to be reported immediately by the purchaser.

Article 28 Inspection

The purchaser may during normal working hours inspect the supplier's final test facilities to be used in the performance of the agreement, and inspect and test the products in respect of materials and workmanship. The purchaser shall give the supplier one week's notice of the inspection. Inspections and tests shall not unduly interfere with the performance of work.

Article 29 Testing

1. The goods to be supplied are tested by the supplier so that is stated that the quality requirements of the supplier have met. In the meantime the purchaser reserves the right at all times to inspect, test and try the delivery or the matters pertaining to it and/or the activities involved or to have these things inspected, tested and/or tried. Within reasonable limits the supplier shall provide the necessary personal and material help and shall admit the persons and authorities by the purchaser at all times to the place where the order is being executed.
2. If the test by the purchaser has to take place in the factory or workshop of the supplier, the supplier shall timely advise the purchaser in writing when the goods will be ready for inspection. On request the supplier will supply a locality suitable for testing to the personnel

Article 22 Disputes and applicable law

1. All disputes arising in connection with the agreement shall be settled by an independent arbitration committee. This arbitration committee is appointed and composed in consultation with the purchaser.
2. The agreement shall be governed by the substantive law of the supplier's country.

General purchasing conditions

Article 23 Applicability of these conditions

1. The clauses in the purchasing conditions are in force together with the other clauses in these general conditions. The clauses in the conditions for sale and delivery are as far as possible of similar application. In case of contradiction, the clauses of the purchasing conditions are in force.

Article 24 Binding of parties

1. Offers from the supplier are reckoned to be binding, insofar as they were not made explicitly without engagement.
2. Orders on the basis of an offer without engagement are binding unless the supplier will reject the order in writing, within 8 days after the written order was given.
3. Data and details in printed matter and documentation provided by the supplier, are inextricably part of the quotation made. When submitting the quotation, but in any case before the conclusion of the contract under the provisions in subsection 3 of this section the supplier is furthermore held to supply the purchaser with all relevant information of any kind, which may be important for the purchaser before entering into an agreement.
4. The agreement between us and the other party is concluded and proved on the day of the receipt of the orderconfirmation. In case our orderconfirmation differs from the offer, the other party has to object within 8 days to the confirmation. If the other party fails to object, the agreement is concluded.

Article 25 Price

1. The price agreed upon is fixed for delivery freight-paid on the agreed location and the price agreed upon will include all costs and rights including freight and insurance, import duties

which is in charge of testing and will provide the necessary personal and material help within reasonable limits to said personnel. An expert to be assigned by the supplier may attend the test procedure.

3. If the purchaser has to carry out a test, due to the fact that goods to be supplied to the purchaser do not come up to standard quality as the result of production supplied, the resulting extra costs, such as travel and personal expenses shall be for the account of the supplier.
4. The test will be made on the basis of the requirements mentioned in section 27 and any other agreed test provisions.
5. All costs arising from testing in the factory or warehouses of the supplier or his subcontractors are for the account of the supplier. If the goods prove not to be ready for testing at the agreed time, or if the supplier does not comply with the provisions in the second sentence of subsection 1b and testing cannot take place in fairness, the extra costs involved, such as the travel and accommodation expenses of the personnel in charge of the test shall be for the account of the supplier.
6. Immediately on rejection by the purchaser, the purchaser shall inform the supplier in writing of this rejection. When rejecting the purchaser has the right, without any proof of default or a court settlement being necessary to either give the supplier the opportunity as yet to supply in accordance with the quotation, or cancel the order without resulting in claims from the supplier, amongst other things in respect of default or claims for damages. If the supplier is given the opportunity to deliver as yet, the supplier shall correct the shortcomings within a reasonable term to be stated in this communication and thereupon offer the goods again for testing. Rejection will not lead to an extension of the term of delivery. In case of re-examinations after rejection the resulting extra costs for the personnel in charge of testing, such as travel and accommodation costs shall be for the account of the supplier.
7. If on delivery at the place of delivery agreed upon the goods prove not to be up to standard, be it on account of damage, be it barring the usual tolerance on account of weight discrepancies, measures or numbers, be it on account of insufficient or damaged packing or in any other way not meeting the requirements stipulated in section 3, the purchaser still has the right to reject these goods totally or partly, in which case the refused goods are reckoned not having been delivered. The purchaser shall inform the supplier of this rejection in writing without delay. Rejection of the goods will not lead to an extension of the term of delivery.

8. Property and risk of the rejected goods rests with the supplier from the moment of the written report of rejection.
9. Goods rejected or again rejected after delivery remain at the disposal of the supplier during 14 days from the date on which the purchaser sent the relevant report to the supplier. The same holds good for goods which were definitely rejected on arrival, as meant in subsection 7. Should the supplier not have disposed of the goods in the term in which the goods are at his disposal, they may be returned to him at his expense and for his risk. Any storage charges incurred by the purchaser or due in this matter will also be charged to the supplier.

Article 30 Packaging, shipment and the risk of transport

1. The supplier shall see to a proper packing of the goods and secure the goods in such a way that they will reach with normal carriage their destination. The goods will be delivered by the supplier or will be sent to the place or places agreed as stated in the order or agreed afterwards.
2. At delivery free domicile the risk of transport is for the account of the supplier. The supplier is liable for any damage occurring by, during or in connection with the transport by the purchaser.

Article 31 Time for delivery - delay

1. If the products are not delivered at the time for delivery, the purchaser may in writing demand delivery within a final reasonable period which shall not be less than one week.
2. If the supplier does not deliver within such final period and this is not due to any circumstance for which the purchaser is responsible, the purchaser holds the supplier responsible for all costs. Both the costs for producing the product and the costs of non-delivery of the product. Besides the purchaser may by notice in writing to the supplier terminate the agreement in respect of such part of the products as can not, in consequence of the supplier's failure to deliver, be used as intended by the parties.

If the purchaser terminates the agreement he shall be entitled to compensation for the loss he has suffered as a result of the supplier's delay.

3. Partial-, surplus- or short delivery without written permission from the purchaser may be refused, without giving the supplier the right to claim damages irrespective of the basis for these claims.

Article 32 Transferring and putting out of the supplier's commitments

The supplier may neither fully nor partially transfer or contract out the commitments arising from the contract to a third party without the written permission of the purchaser.

Article 33 Insurance

The supplier will insure all goods which he receives from or on behalf of the purchaser in respect of the order against all damages which are administered to these goods during the period that the supplier has these goods in his custody. The purchaser will appear on the policy as the co-insured party; right of recovery, to be executed by insuring companies on the purchaser or the customers of the purchaser must be excluded. On request the policy will be made available to the purchaser.

Article 34 Payment

1. Payment is effected within 60 days after receipt of the invoice and the goods unless after receipt of the goods, under which the accompanying documents, to the execution of the order objection has been made by the supplier.
2. The purchaser shall be entitled to deduct the amounts due, or the amounts which may be claimed by him under the agreement, from the amounts the supplier should claim for whatever reason.
3. When payable in advance c.q. in instalment the supplier is entitled, to require a bank security, a lien or unpropertied lien on materials and components and out of that manufactured products present at the supplier or similar security.
4. In case of liquidation, bankruptcy or suspension of payment of the supplier the receivables of the purchaser and the obligations of the supplier towards the purchaser can be claimed immediately.

Article 35 Transfer of ownership and risk

1. Ownership and risk of the goods to be supplied are transferred to the supplier, without prejudice to the provisions in subsection 2, as soon as the goods have been taken delivery of by the purchaser at the place of delivery. In the case of prepayment ownership of goods, including materials and parts from which they are manufactured, is transferred to the purchaser at the moment of delivery or in the case of turnkey projects on completion. The supplier shall inform the purchaser in writing without delay, if there are any other rights involved in the goods to be supplied by the supplier apart from his rights of ownership.
2. If the purchaser puts goods at the disposal of the supplier for assembly, to supervise assembly or to test or put into operation goods which were assembled earlier, the supplier will bear the risk from the moment they were put at his disposal until the acceptance of the delivery by the purchaser.

Article 36 Liability for defects

1. If, within a reasonable time, the supplier does not fulfil his obligations, the purchaser may, by written notice, fix a final time for completion of the supplier's obligations. If the supplier fails to fulfil his obligations within such final time, the purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the supplier.
2. Where successful remedial works have been undertaken by the purchaser or a third party, reimbursement by the supplier of reasonable costs incurred by the purchaser shall be in full settlement of the supplier's liabilities for the said defect.

Where the defect has not been successfully remedied,

- a. the purchaser is entitled to a reduction of the purchase price in proportion to the reduced value of the products, or
- b. where the defect is so substantial as to significantly deprive the purchaser of the benefit of the agreement, the purchaser may terminate the agreement by written notice to the supplier. The purchaser is then entitled to compensation for the loss he has suffered.

Article 37 File

These general conditions are filed with the Chamber of Commerce and Industry in Venlo under number 12026588 on the 27th of March 2000.

As a basis for these general conditions the 'Guidelines for partnership in industrial subcontracting' are used which proposes ground rules and principles that have proved their worth for building solid and dynamic partnership in subcontracting and which is published by the UNICE (Union of Industrial and Employer's Confederations of Europe), in collaboration with the European Commission.