

GENERAL PURCHASE CONDITIONS OF SPINFLO LTD.

1. Applicability

- 1.1 These conditions apply to the conclusion and the contents of any contracts for the sale and purchase of movable property (hereinafter: “**Contracts**”) concluded and to be concluded between ourselves (i.e., the user of these general terms and conditions in an actual instance of use) and the sellers (“**Suppliers**”).

2. Contracts

- 2.1 Contracts are concluded only upon our confirmation in writing.
- 2.2 Unless an offer made by us is unconditionally accepted thereby, all communications made by the Supplier as part of the conclusion of Contracts shall never serve as an offer and at the most serve as invitations to us to make an offer.
- 2.3 Unless expressly stated otherwise in a Contract or in these conditions, Contracts cannot be modified unilaterally. Modifications to Contracts can only be effectuated in writing.

3. Partial Contract

- 3.1 If a Contract involves periodical orders for the supply of goods, each supply will be considered to be the performance of an obligation incorporated in a separate contract for the purpose of said supply (a “**Partial Contract**”).
- 3.2 Nevertheless, the termination of a Partial Contract as referred to in the preceding clause of this Article 3 may be a reason for us to terminate any Partial Contracts already performed and any Partial Contracts yet to be performed if the goods supplied and yet to be supplied cannot be used for the purpose intended by us when we concluded the Contract due to their interrelationship.
- 3.3 If the non-performance of a Partial Contract gives us reason to conclude that any future Partial Contracts will not be performed either, we shall have the right to give notice of termination of the future Partial Contracts as well as the Partial Contract that has not been performed.

4. Times for Delivery

- 4.1 All times for delivery agreed by the Supplier and by us are absolute deadlines.
- 4.2 If a Contract does not state a time for delivery, a general time for delivery will apply, equal to ten (10) working days from the date of the Contract.
- 4.3 As soon as the Supplier has reasonable ground to expect that delivery cannot be made within the applicable time for delivery, he will notify us accordingly without delay and state the time at which he anticipates that delivery can be made.
- 4.4 A notification as referred to in the third clause of this Article 4 shall not discharge the Supplier of his liability to us on account of late delivery.
- 4.5 Spinflo has the right to extend the time for delivery, in which case the Supplier will store, safeguard and insure the goods, duly packaged, separately and identifiably.

5. Place of Delivery; Other Provisions about Delivery

- 5.1 Delivery of all products under a Contract shall be effected DDP (Delivery Duty Paid) at the address of Spinflo Ltd. as stated above.

5.2 The term DDP shall have the meaning assigned thereto in Incoterms 2000.

6. **Prices**

6.1 All prices stated in a Contract shall be exclusive of VAT and inclusive of all duties, taxes and charges in the country of origin, the country of destination and in all transit countries, and inclusive of the carriage and/or shipment to the place of delivery referred to in Article 4 and inclusive of insurance premiums.

7. **Payment. Invoices**

7.1 We shall settle the purchase price for goods supplied within sixty (60) days after the invoice date, provided that date is a date after the date of delivery, or in any event within sixty (60) days after assembly or installation, if the assembly or installation is performed by the seller. If the invoice date is a date before the delivery, we will settle the invoice for the goods supplied within sixty (60) days after the date of delivery. The foregoing applies unless we exercise our statutory right to suspend or to refuse the performance of a payment obligation or to reduce the amount of the purchase price.

7.2 Settlement of an invoice by us shall on no account constitute a waiver of our right to claim non-conformity of goods supplied.

7.3 All invoices addressed to us must state the order number provided by us, a specification of the good invoiced, the relevant product numbers and – if applicable – the order forms or packing slips. We shall return invoices which do not comply with these requirements to the Supplier, together with a request that the missing information be supplied.

7.4 On the date on which an invoice is returned in accordance with the provision of the third clause of this Article 7, the term for payment stated in this invoice ceases to be effective. A new term for payment of sixty (60) days commences upon receipt of the additional information.

8. **Conformity**

8.1 All goods to be supplied must comply with the specifications set out in the Contract and with the rules and regulations applicable in the country of destination (including but not limited to EU rules and regulations) as well as with the applicable requirements and criteria, of whatever nature.

8.2 All goods to be supplied must be packaged in accordance with the agreements made and the instructions given in that respect and in any event in such manner as is required in the circumstances of each concrete case so as to safeguard the quality of the goods during carriage and at delivery.

8.3 All goods to be supplied must be provided with a packing slip, which must in any case state the following information:

(A) number and date of the Contract; and

(B) the description, specification and the number of the goods supplied as well as their product numbers.

9. **Packaging**

9.1 Unless otherwise agreed, the Supplier shall dispose of the packaging material free of charge and in an environmentally friendly manner.

9.2 On our demand, the Supplier shall return packaging material owned by us in good state and condition.

10. **Warranty**

- 10.1 The Supplier warrants the conformity of all goods supplied and to be supplied to us for the warranty period stipulated in the Contract.
- 10.2 If no warranty period is agreed in a Contract, the warranty period shall be twelve (12) calendar months from the date of delivery.
- 10.3 If the Supplier has repaired or replaced goods, a new warranty period of twelve (12) months commences on the moment the repair has been completed or the replacement goods have been delivered.
- 10.4 The Supplier warrants that the goods to be supplied do not violate any rights of third parties (such rights expressly including intellectual property rights), unless a violation of the rights of third parties is caused by the use that the Supplier makes of any tools we have made available to the Supplier as referred to in Article 15 of these Conditions or by the Supplier's actions in accordance with our express instructions.
- 10.5 If the Supplier is denied the right to put into circulation goods produced or traded by him in violation of the warranty referred to in the fourth clause of this Article 10, the Supplier will cease this infringement (i) by acquiring these rights for us at his own expense, (ii) by replacing the infringing goods by non-infringing goods, or (iii) by modifying the goods to be supplied in such manner that the infringement is ceased, all with our prior approval, which will not be unreasonably withheld.

11. **Inspection prior to delivery**

- 11.1 Without prejudice to our right to inspect the goods supplied to us and – depending on the outcome of this inspection – to bring such legal action against the Supplier as the law and the Contract afford us, we shall at all times be entitled to inspect the goods purchased at the Supplier's premises, either during production or otherwise, and – depending on the outcome of our inspection – to make recommendations to the Supplier to improve the quality of the goods to be supplied.
- 11.2 The Supplier shall comply, to the extent possible, with our reasonable requests to be allowed to inspect goods in accordance with the first clause of this Article 11. The Supplier shall grant us and those acting on our behalf access to the production and storage facilities where the goods produced and to be produced are located.
- 11.3 By exercising our right in accordance with the provision of the first clause of this Article 11, we in no way waive our right to take recourse to legal remedies available to the purchaser of goods in the event of non-conformity.

12. **Ownership and risk**

- 12.1 The ownership of and the risk in the goods supplied shall pass to us on delivery. If a Contract also provides for assembly or installation, the ownership of and the risk in the goods shall pass at the moment on which the goods supplied are assembled or installed.

13. **Noncompliance, legal remedies and indemnity**

- 13.1 If the goods supplied are not fit for their purpose, we shall at all times – without prejudice to our right to terminate a Contract for the future and to maintain a Contract for the past – be entitled to demand that the Supplier repair or replace the goods supplied, entirely at our discretion.
- 13.2 If the Supplier does not comply with the obligation to repair or replace as referred to in the first clause of this Article 13, we shall – upon sending a notice of default – be entitled to repair or replace the goods ourselves, at the Supplier's expense.

- 13.3 We shall be entitled to exercise the rights referred to in the second clause of this Article 13 without a notice of default having been sent to the Supplier if the circumstances of the matter dictate that repair or replacement brooks no delay.
- 13.4 We shall at all times be entitled to return to the Supplier, at the Supplier's expense, goods that are not fit for purpose, with a view to repairing or replacing them or in connection with a termination.
- 13.5 Without prejudice to our right to terminate, either in whole or in part, a Contract and to institute a claim for damages if the time for delivery is exceeded, the Supplier shall forfeit a penalty of one percent (1%) of the purchase price for each calendar week or part thereof that no delivery is made, if and as long as we demand performance.
- 13.6 The Supplier shall indemnify us against any claims made by third parties with respect to damage (including but not limited to consequential damage) suffered by these third parties as a consequence of the failure by the Supplier to fulfil any obligation under a Contract or if legal action is brought against us by third parties on account of product liability or on account of infringement of intellectual property rights.

14. **Termination**

- 14.1 Without prejudice to our right to terminate a Contract (including Partial Contracts) on account of a failure in the performance of any one or more obligations arising therefrom, we shall be entitled to terminate each Contract:
- (A) on the ground of a failure in the performance of another obligation existing between ourselves and the Supplier and arising from the Contract;
 - (B) if a resolution has been adopted to wind up the Supplier or the party that guaranteed the fulfilment of the Supplier's obligations;
 - (C) if the Supplier or the party that guaranteed the fulfilment of the Supplier's obligations otherwise ceases its business activities;
 - (D) if with respect to the Supplier or the party that guaranteed the fulfilment of the Supplier's obligations a winding-up petition or an application for an administrative order has been filed;
 - (E) if attachment has been levied at the expense of the Supplier and this attachment is not lifted within ten (10) working days; or
 - (F) if the relationship between those who manage the business of the Supplier changes, if they who manage the business of the Supplier are replaced, either in whole or in part, or if the composition of the board of management of the Supplier changes and if such changes in our opinion constitute a substantial increase of our risks.

15. **Tools and equipment made available to the Supplier for the purpose of manufacture**

- 15.1 Tools and equipment which we make available to the Supplier (including but not limited to moulds) so as to enable the Supplier to manufacture or test the goods to be supplied ("**Tools**") shall remain our property and will be provided with texts and symbols indicating our ownership. The tools that are made available by us may only be used in connection with the execution of Contracts.
- 15.2 The Supplier shall store the Tools in a separate room from his own production resources so as to avoid any doubts as to ownership rights. The Supplier shall in particular ensure that the texts and symbol we provided on the Tools, as referred to in the first clause of this

Article 15, will remain on the Tools throughout the period that the Tools are in his custody or, in any event, that the texts and symbols will be reapplied thereto.

15.3 Intellectual property rights with respect to Tools or goods manufactured using these Tools shall remain our exclusive property and shall not be part of the property of the Supplier.

15.4 If necessary, we shall be deemed to have issued a non-transferable licence to the Supplier for the exclusive purpose of ensuring the performance of obligations arising from a Contract. Upon full discharge of the Contract by the Supplier, the Supplier shall be obliged to return all Tools to us.

16. **Supplier's staff**

16.1 The Supplier shall guarantee the expertise and professional competence of the staff employed by the Supplier for the purpose of performing the obligations under the Contracts, of third parties, including but not limited to staff hired from third parties.

16.2 If, in connection with the performance of a Contract, the Supplier arranges for work to be performed at our premises by his own staff or staff hired from a third party, we will be entitled to deny such staff access to our site and premises if such staff (i) in our opinion is not competent to do the work, (ii) misbehaves, or (iii) acts contrary to the terms of the Contract.

16.3 Throughout their presence at our site and our premises, the staff referred to in the second clause of this Article 16 shall be obliged to comply with the terms and conditions of employment applicable to our regular staff, with the exception of the terms relating to holiday entitlement, holiday allowance, salary and fringe benefits such as pension rights.

16.4 We shall at no time be responsible for the payment of wages or any other remuneration the Supplier is liable to pay to the staff employed by the Supplier as referred to in the second clause of this Article 16, nor for withholding and paying national insurance contributions and (wage) tax. If and to the extent we will nonetheless be held liable for the payment of any of the sums due in the preceding sentence, the Supplier will indemnify us.

16.5 The Supplier shall be liable for all damage and/or loss we may suffer if we are held liable to effect or in connection with payments of wages, remunerations, national insurance contributions and (wage) tax to or for the benefit of staff employed or hired by the Supplier.

17. **Confidentiality**

17.1 The Supplier shall observe confidentiality with respect to all information the Supplier, in connection with the Contract, has obtained concerning our business operations, our company, our products (including but not limited to production resources and tools made available by us), any Contract and all other information relevant to a Contract.

17.2 The Supplier shall not be allowed to copy or to disclose, by whatever means, to third parties, in return for payment or otherwise, confidential information as referred to in the first clause of this Article 17.

17.3 The Supplier shall ensure that the obligation of confidentiality as referred to in the second clause of this Article 17 extends to its own staff or third parties the Supplier engages for the performance of a Contract.

17.4 The obligations set out in this Article 17 will remain valid for a period of 10 (ten) years to be calculated from the date of execution of the last Contract concluded between the Supplier and ourselves, unless and to the extent that (i) prior to that time our confidential information has become part of the public domain through no fault of the Supplier, or (ii) the obligation of confidentiality cannot be met due to mandatory legal provisions.

18. **Disputes**

- 18.1 All Contracts and these Conditions shall be governed by English law.
- 18.2 The provisions of the UN Convention on Contracts for the International Sale of Goods shall apply to all Contracts and to these Conditions.
- 18.3 Any and all disputes arising out of or in connection with this Contract or other agreements ensuing therefrom shall be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute, unless we inform the other party to the contract to submit such dispute to another competent court in accordance with the relevant national or international jurisdiction rules. The venue of arbitration shall be Rotterdam. The proceedings shall be conducted in the English language.

19. **Language**

- 19.1 In the event of interpretation disputes arising out of or in connection with these Conditions and caused by the circumstance that there are versions of these Conditions in languages other than the Dutch language, such disputes shall be settled exclusively on the basis of the Dutch version of these Conditions.