

**Article 1: Applicability**

1.1. These general conditions apply to all quotations and offers made by the private limited company United Sales Division Fabrics, to all agreements it concludes and to all agreements that may result therefrom. United Sales Division Fabrics which uses these conditions is hereinafter called "contractor". The other party is hereinafter called "client".

1.2. In the event of any conflict between the contents of the agreement entered into between client and contractor and these general conditions, the provisions of the agreement will take precedence.

**Article 2: Offers and prices**

2.1. All offers are made without obligation.

2.2. If client provides contractor with data, drawings and the like, contractor may assume their accuracy and completeness and will base its offer on them.

2.3. All prices are quoted exclusive of turnover tax and packaging. All prices are calculated on orders no later than 6 weeks after the date of the quotation.

2.4. Costs for efficient packaging and shipping will be charged to client separately.

**Article 3: Intellectual property rights**

3.1. Unless otherwise agreed in writing, contractor retains the copyrights and all industrial property rights to the offers, designs, images, drawings, (test) models, software and suchlike that it has provided.

3.2. The rights to the data mentioned in paragraph 1 of this article will remain the property of contractor regardless of whether client has been charged for their production. These data may not be copied, used or shown to third parties without the express prior written consent of contractor. Client will owe contractor an immediately payable penalty of €5,000 for each breach of this provision. This penalty may be claimed in addition to compensation under the law.

3.3. Client will return the data provided as referred to in paragraph 1 of this article at first request within a period set by contractor. If this provision is breach, client will owe contractor an immediately payable penalty of €1,000 per day. This penalty may be claimed in addition to compensation under the law.

**Article 4: Advice and information provided**

4.1. Client cannot derive any rights from advice and information provided by contractor if it does not relate to the order.

4.2. If client provides contractor with data, drawings and the like, contractor may assume their accuracy and completeness in the performance of the agreement.

4.3. Client will indemnify contractor against any claim by third parties relating to the use of advice, drawings, calculations, designs, materials, samples, models and the like provided by or on behalf of client.

**Article 5: Delivery time / performance of the work**

5.1. The delivery time and/or performance (period) will be given by contractor as an approximation.

5.2. In determining the delivery time and/or performance period, contractor assumes that it can execute the order under the circumstances known to it at that time.

5.3. The delivery period and/or performance period will commence only when agreement has been reached on all commercial and technical details, all necessary data, final and approved drawings and the like are in contractor's possession, the agreed (instalment) payment has been received, and the necessary conditions for performance of the order have been fulfilled.

5.4.a. If there are circumstances other than those known to contractor when it fixed the delivery time and/or performance period, it may extend the delivery time and/or performance period by the time it needs to perform the order under these circumstances. This also applies to delays or irregularities in deliveries from suppliers or subcontractors to contractor. If the work cannot be fitted within contractor's schedule, it will be performed as soon as its schedule permits.

b. If there is extra work, the delivery time and/or performance period will be extended by the time that contractor needs for delivery of the required materials and parts and to perform the extra work. If the extra work cannot be fitted within contractor's schedule, the work will be performed as soon as its schedule permits. No rights to additional work can be derived from any deliveries and work described in contractor's offer, no matter how closely the desired additional deliveries or work are related to those stated in the offer.

C. If there is a suspension of obligations by contractor, the delivery time and/or performance period will be extended by the duration of the suspension. If continuation of the work cannot be fitted within contractor's schedule, the work will be performed as soon as its schedule permits.

5.5. Client will pay all costs incurred by contractor as a result of a delay in the delivery time and/or performance period as stated in paragraph 4 of this article.

5.6. Exceeding the delivery time and/or performance period will under no circumstances entitle contractor to compensation or termination.

#### **Article 6: Shipment and risk**

6.1. The risk of the item passes to client at the time the item leaves contractor's factory/warehouse.

6.2. All goods to be delivered are shipped and transported by contractor at the risk and expense of client. Return shipments are also at the risk and expense of client.

#### **Article 7: Price change / change in the order**

7.1. Contractor may pass on to client any increase in cost-determining factors that occurred after the agreement was concluded. This includes, but is not limited to, increases in taxes, external supplier prices, exchange rates, raw materials, freight costs, wages and/or social charges, import duties, levies and other charges.

7.2. Contractor reserves the right to perform more work than agreed and charge client for it, if this work is in client's interest and/or for the proper performance of the order.

#### **Article 8: Force majeure**

8.1. Contractor is entitled to suspend the fulfilment of its obligations if it is temporarily prevented from fulfilling its contractual obligations towards client due to force majeure.

8.2. Force majeure includes the circumstance that suppliers, subcontractors of contractor or carriers engaged by contractor do not fulfil their obligations or do not do so in time, weather, earthquakes, fire, power failure, loss, theft or loss of tools or raw materials and materials, road blocks, strikes or work stoppages and import or trade restrictions.

8.3. Contractor is no longer entitled to suspend if the temporary impossibility of performance has lasted for more than 12 months. Client and contractor may terminate the agreement with immediate effect after this period has expired, but only for that part of the obligations that have not yet been fulfilled.

8.4. In case of force majeure whereby compliance is or becomes permanently impossible, both parties are entitled to terminate the agreement with immediate effect for that part of the obligations that have not yet been met.

8.5. The parties are not entitled to compensation for any damage suffered or to be suffered as a result of the suspension or termination within the meaning of this article.

#### **Article 9: Obligation to complain**

9.1. Client may no longer invoke a defect in the performance if it has not complained about it in writing to contractor within eight days after it discovered or reasonably should have discovered the defect. On expiry of this period, client will be deemed to have approved the goods or services delivered.

9.2. Client is required to submit complaints about the amount of the invoice to contractor in writing within the payment term, under penalty of forfeiture of all rights. If the payment term is longer than thirty days, client is required to complain in writing no later than thirty days after the invoice date.

#### **Article 10: Liability**

10.1. In case of an attributable failure, contractor will as yet be bound to fulfill its contractual obligations.

10.2. Contractor's obligation to pay compensation on any (legal) basis whatsoever will be limited to an amount equal to the net invoice value of the goods or services delivered or, if higher, the amount for which contractor is insured.

10.3. If for any reason contractor cannot invoke the limitation of paragraph 2 of this article, the obligation to pay compensation will be limited to a maximum of 15% of the total contract sum (excluding VAT). If the agreement

consists of parts or partial deliveries, the obligation to pay compensation will be limited to a maximum of 15% (exclusive of VAT) of the contract price of that part or partial delivery.

10.4. Consequential loss is not eligible for compensation. Consequential loss includes, but is not limited to, stagnation damage, loss of production, loss of profit, transport costs and travel and accommodation costs.

10.5. Contractor is not liable for damage to material supplied by or on behalf of client.

10.6. Client will indemnify contractor against all third-party claims for product liability arising from a defect in a product supplied by client to a third party that consisted or partly consisted of products and/or materials supplied by contractor. Client will compensate all loss suffered by contractor in this connection, including the (full) costs of defence.

#### **Article 11: Uncollected goods**

11.1. Client will take delivery of the item or items that are the subject of the agreement at the agreed location.

11.2. Client will provide all cooperation that can reasonably be expected from it in order to enable contractor to deliver.

11.3. Uncollected goods will be stored at the risk and expense of client.

#### **Article 12: Payment / settlement / interest**

12.1. Payment will be made within 30 days of the invoice date, unless expressly agreed otherwise.

12.2. The payment term is a deadline.

12.3. Client's right to set off or suspend its claims against contractor is excluded.

12.4. If payment has not taken place within the agreed payment period, client will immediately owe interest to contractor. The interest rate will be at least 8% per year, but will in any case be equal to the legal interest rate if this is higher. When calculating interest, part of a month will be considered a full month.

12.5. Contractor is entitled to set off its debts to client with claims of contractor's affiliates on client. In addition, contractor is entitled to set off its claims on client with debts of contractor affiliates to client.

12.6. If payment has not taken place within the agreed payment term, client will owe contractor all extrajudicial costs with a minimum of €75. These costs are calculated on the basis of the following table (principal incl. interest): 10% over the first €3,000, 9% over the amount up to €6,000, 8% over the amount up to €15,000, 5% over the amount up to €60,000, 3% over the amount from €60,000. The actual extrajudicial costs incurred will be due if they are higher than follows from the above calculation.

12.7. Regardless of whether contractor has fully performed the agreed agreement, all that client owes or will owe under the agreement is immediately due and payable if:

- a. a payment term has been missed;
- b. an application has been made for client's bankruptcy or suspension of payments;
- c. objects or claims of client are seized;
- d. client (company) is dissolved or liquidated;
- e. client (natural person) makes a request to be admitted to legal debt restructuring, is placed under guardianship or dies.

#### **Article 13: Security / retention of title**

13.1. Regardless of the agreed payment terms, client will provide such security for payment as contractor deems sufficient at its first request. If client fails to do so within the stipulated period, it will immediately be in default. Contractor will in that case be entitled to terminate the agreement and to recover its losses from client.

13.2. Contractor remains the owner of the delivered goods as long as client has not yet fulfilled all its (payment) obligations and/or fails or will fail in the fulfilment of its obligations, from this or other agreements, and/or claims resulting from the non-fulfilment of the aforementioned agreements, such as damages, penalties, interest and costs.

13.3. As long as the goods delivered are subject to retention of title, client may not encumber or dispose of them outside the scope of its normal business operations.

13.4. After contractor has invoked its retention of title, it may recover the delivered goods. Client will cooperate fully to this end.

13.5. Contractor has a right of pledge and a right of retention on all goods that it has or will have in its possession for whatever reason and for all claims that it has or may have against client towards any party demanding delivery thereof.

**Article 14: Termination of the agreement**

If client wishes to terminate the agreement without any fault on the part of contractor and contractor agrees, the agreement will be terminated by mutual consent. In that case contractor is entitled to compensation for all financial loss such as losses suffered, lost profits and costs incurred.

**Article 15: Applicable law and competent court**

15.1. Dutch law will apply.

15.2. The Vienna Sales Convention (CISG) will not apply, nor will any other international regulation the exclusion of which is permitted.

15.3. Disputes will be heard exclusively by the Dutch civil court having jurisdiction in contractor's place of establishment. Contractor may deviate from this rule of jurisdiction and apply the statutory rules of jurisdiction.

USD Fabrics is located in Kaatsheuvel (the Netherlands) and is registered with the Chamber of Commerce under no. 17234769.  
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