



Free translation into English of the General Terms and Conditions of Donghua International B.V.  
The Dutch version shall prevail between the Parties.

#### Article 1: general provisions

1. These conditions, barring stipulations to the contrary, shall apply to all offers, purchase agreements and sales contracts and/or agreements for provision of services of any nature with Donghua International B.V. and its affiliated companies with its registered office at (1812 RL) Alkmaar, Toermalijnstraat no 6B, hereafter to be referred to as "Donghua". Amendments to these conditions shall be exclusively agreed in writing with Donghua.
2. The "Purchaser" referred to in these conditions shall be deemed to mean any (legal) entity, that has concluded an agreement with Donghua or wishes to conclude an agreement with Donghua respectively, and also its representative(s), authorised representative(s), successor(s) in title and heirs.

#### Article 2: offers

1. All tenders and offers are without obligation, unless expressly agreed otherwise in writing.
2. The Purchaser ascertains upon receipt of the offer that the specifications are correct and shall immediately inform Donghua in writing of any deviations.
3. Binding agreements will only be concluded by written acceptance and/or confirmation of the assignment of the Purchaser by Donghua respectively or by Donghua in fact executing the assignment of the Purchaser. If the written acceptance and/or the confirmation by Donghua respectively differ from the assignment given by the Purchaser in cases of more than secondary importance, the agreement will be concluded in accordance with the written acceptance of Donghua, unless the Purchaser rejects the acceptance and/or confirmation by Donghua immediately in writing.
4. Agreements with subordinate employees of Donghua do not bind Donghua to the extent that these agreements have not been confirmed in writing by Donghua. The term subordinate in this context is deemed to mean all employees and staff members.
5. Any agreements or amendments concluded later and agreements or commitments made by subordinate employees of Donghua shall only bind Donghua when confirmed in writing by Donghua.
6. Donghua has the right, before further execution of the agreement, to require the Purchaser to provide security with respect to the fulfilment of its entire payment obligation.
7. Donghua retains the right to refuse orders and/or assignments without giving reasons.
8. For mistakes and differences in the price, images, drawings and statements of measures and weight in price lists and for offers (without obligation) and/or confirmations of orders Donghua will not be liable.

#### Article 3: changes in price

1. Each sale shall be made based on the cost factors existing at the conclusion of the agreement.
2. At any time, Donghua has the right to make an interim adjustment to prices if this is necessary as a result of a right or obligation imposed by law or regulations or if this is caused by an increase of the price of raw materials, wages or other grounds not reasonably foreseeable at the conclusion of the agreement.

#### Article 4: delivery and risk

1. All deliveries are ex-factory (ex works) in accordance with the Incoterms 2000 and the risk in the goods shall pass to the Purchaser the moment Donghua puts the goods at the disposal of the Purchaser.
2. Notwithstanding the preceding paragraph, the Purchaser and Donghua may agree that Donghua will handle the transport. Then the risk of storage, loading, transport and unloading will also be for the Purchaser. The Purchaser shall take out insurance against these risks.
3. The Purchaser shall purchase the goods the moment the goods are put at its disposal. The risk of loss, damage or depreciation shall pass to the Purchaser the moment the goods are put under the control of the Purchaser.

#### Article 5: delivery dates

1. The delivery date is established under the condition that the circumstances will remain the same as at the moment the agreement was concluded and expressly does not constitute a final deadline.



2. Delayed delivery does not give the Purchaser the right to terminate the agreement or to claim damages.

#### **Article 6: acceptance and advertising**

1. The responsibility of inspection of the nature, quality and amount of the delivered goods rests with the Purchaser. The Purchaser shall inspect the delivered goods immediately after delivery and shall report visible defects within eight days of delivery in writing to Donghua, at the risk of forfeiting all its rights of action. In the event of defects within the meaning of article 7:23 of the Dutch Civil Code, the Purchaser, within 8 days of the discovery of the defect, or within 8 days after the defect should within reason have been discovered, shall report the defect in writing to Donghua, at the risk of forfeiting all its rights of action.
2. Complaints about invoices, at the risk of forfeiting the right of action, shall also be submitted in writing, within 8 days of the date of mailing of the invoices. Complaints shall not give the Purchaser the right to suspend payment and set-off is expressly excluded.
3. Contrary to the legal limitation periods, the limitation period applicable to all claims and defences against Donghua and third parties engaged by Donghua for the execution of an agreement, shall be one year.

#### **Article 7: quality and guarantee**

1. Unless expressly stipulated otherwise in the agreement, normal quality will be delivered and the normal business practices will be deemed to be agreed.
2. With the exception of guarantee provisions expressly agreed in writing, Donghua will not grant any other guarantees than the guarantee Donghua receives from its suppliers/manufacturers and which guarantees can be transferred.
3. Any form of guarantee will lapse if a defect has arisen as a result of, or arises from, improper use or misuse of goods delivered by Donghua.

#### **Article 8: Liability**

1. Donghua will only be liable for damage incurred by the Purchaser as a result of an intentional act and/or gross negligence of Donghua.
2. Donghua shall not be liable for any damage caused by subordinate employees and/or third parties engaged.
3. Consequential or resulting damage arising from any cause also shall not be reimbursed. The Purchaser shall take out insurance against consequential or resulting damage.
4. Donghua's liability at all times is limited to the damage Donghua is insured for and to the amount paid under the insurance.
5. If Donghua's insurance company for any reason does not make a payment, any liability will be limited to the invoice amount the damage-causing event relates to, with a maximum of € 10,000 (in words: ten thousand euro).
6. The Purchaser has the right to inspect Donghua's liability policy by appointment at Donghua's offices.
7. The period in which compensation can be claimed from Donghua shall in all cases and at the risk of forfeiting the right of action be limited to a period of one year after the damage-causing event has occurred.

#### **Article 9: force majeure**

1. In the event of force majeure, Donghua will be free of its obligations arising from the agreement and/or will its obligations arising from the agreement be suspended.
2. Force majeure within the meaning of this article will be deemed to mean, in addition to the meaning in (case) law, all events outside the control of Donghua, which within reason prevent Donghua from performing or partly performing.
3. If the period, in which performance of Donghua's obligations is no longer possible due to force majeure, should be more than six months, both Donghua and the Purchaser shall have the right to terminate the agreement without any obligation to pay damages.
4. If Donghua already in part fulfilled its obligations when the force majeure occurred or is only able to fulfil its obligations in part, Donghua will have the right to separately invoice the part already performed and/or the part than can be performed and the Purchaser will be held to pay the relevant invoice as if it were a separate agreement.



#### **Article 10: retention of title**

1. Any goods delivered by Donghua shall remain the property of Donghua until the moment of complete fulfilment of all obligations of the Purchaser, for whatever reason, with respect to Donghua.
2. As long as the title in the goods has not been transferred to the Purchaser, the Purchaser is not allowed to pledge the goods or furnish the goods as security or grant third parties any right to these goods.
3. The Purchaser shall store the goods delivered subject to retention of title with due care and recognisable as the property of Donghua.
4. If Donghua invokes its retention of title, access will be granted to the goods delivered. The Purchaser shall irrevocably authorise Donghua to exercise its right to seek repossession.
5. The costs arising from exercising property rights by Donghua must be borne by the Purchaser.

#### **Article 11: payments**

1. Payments shall be made within 30 days of the date of invoice unless another payment term has been expressly agreed by the Parties in writing. The payment term is a final deadline.
2. The Purchaser does not have the right to set off amounts due to Donghua against any claim from the Purchaser against Donghua.
3. Complaints as to the amount of the invoice shall not suspend the payment commitment. The Purchaser also does not have the right to suspend payment of an invoice for any other reason.
4. If the Purchaser does not pay within the period referred to in paragraph 1 of this article, the Purchaser will be in default by operation of law and the Purchaser shall pay Donghua default interest of 1.5% of the invoice amount for each month the Purchaser is in default. To calculate the interest a part of a month is deemed to be a full month.
5. Payments made by the Purchaser, irrespective of the allocation by the Purchaser, will first be applied to settle the extrajudicial collection costs payable by the Purchaser, the judicial collection costs, the interest and subsequently - in order of the age of the invoices - the outstanding principal amount.

#### **Article 12: disputes and governing law**

1. Disputes between the Purchaser and Donghua about the conclusion, or performance, of agreements and/or legal relationships these conditions apply to, are exclusively governed by Dutch law as applies to the Kingdom in Europe. The legal rules and conflict rules of private international law do not apply.
2. The legal provisions apply except to the extent that these general terms and conditions depart from them.
3. Any disputes relating to this agreement and other agreements related to this agreement shall be settled by the competent Court in Alkmaar.

#### **Article 13: Other Conditions**

1. The provisions of these general terms and conditions on limitation of Donghua's liability are also stipulated for Donghua's employees and for third parties engaged by Donghua. These employees and third parties may directly invoke these general terms and conditions against the Purchaser to contest their liability.
2. The Purchaser may transfer its rights and/or obligations under the agreement or its legal relationship to Donghua to a third party only with prior written agreement from Donghua.
3. At all times Donghua has the right, without prior written permission from the Purchaser, to engage third parties for the performance of the agreement.
4. An agreement will always only be concluded with Donghua and not with individual employees of Donghua.
5. If a provision of these general terms and conditions will be found to be void, voidable or not applicable, this will not affect the validity of the other provisions of these general terms and conditions. The Parties will then negotiate to replace the provision in question by a valid provision that approaches the nature and the purpose of the void, voidable or non-applicable provision to the extent possible.