

GENERAL PURCHASING TERMS AND CONDITIONS
for products and services of Mustad Netherlands B.V. V1.1

I. GENERAL PROVISIONS

Article 1. Definitions

In these General Purchasing Terms and Conditions, the terms below written with a capital letter have the following meanings:

Buyer	Mustad Netherlands B.V. having its registered office at Het Helmhout 12, in (9206 AZ) Drachten, the Netherlands, registered with the Chamber of Commerce under number 01111895 and its Group Companies within the meaning of article 2:24b of the Dutch Civil Code (DCC).
Supplier	Each natural person or legal entity that enters into an Agreement with the Buyer.
Order	The Buyer's Order issued to the Supplier to supply Products and/or perform Services in the format described in Appendix 1 (the 'Purchase Order Form') to these General Purchasing Terms and Conditions.
Products	All goods delivered, or to be delivered, to the Buyer in the context of performing the Order, regardless of whether the Order exclusively involves the supply of those goods or whether it also involves the supply of Services.
Services	The performance that the Supplier renders to the Buyer pursuant to the Order, to the extent this does not consist of supplying Products.
Specification	The detailed description of the Products and/or Services to be supplied by the Supplier as stated in the Order.
Agreement	The agreement between the Buyer and the Supplier regarding the Order.
Article	An article of these General Purchasing Terms and Conditions.

Article 2. Applicability of the General Terms and Conditions

- 2.1. These General Purchasing Terms and Conditions are applicable to all Agreements between the Buyer and the Supplier, as well as to any ensuing or related agreements or further agreements. These General Purchasing Terms and Conditions are also applicable to negotiations regarding such Agreements, even if said negotiations do not result in the conclusion of an Agreement.
- 2.2. The Supplier's general (sales) terms and conditions are expressly rejected.
- 2.3. Amendments or supplements to these General Purchasing Terms and Conditions can only be agreed upon expressly and in writing and shall only apply to the relevant offer or Agreement whereby the amendment or supplement is agreed.

Article 3. Applicable law

- 3.1. These General Purchasing Terms and Conditions, all Orders placed by the Buyer and all Agreements concluded between the parties are solely governed by the laws of the Netherlands. The applicability of the United Nations Treaty Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) is expressly excluded.

Article 4. Ordering and establishment of an Agreement

- 4.1. The Buyer shall only be bound by Orders that are confirmed by the Supplier's returning of a signed copy of the Order provided by the Buyer within fourteen (14) days of receiving the Order, unless the Order specifies another term. As long as the Order has not been confirmed by the Supplier, it may be cancelled by the Buyer by sending a written notice to the Supplier, without the Buyer being liable for any payment of damages or other compensation to the Supplier.
- 4.2. Offers, delivery deadlines, warranties, specifications and price lists provided by the Supplier, as well as other provisions agreed in writing, may not be unilaterally changed after their issue, unless otherwise stipulated in the General Purchasing Terms and Conditions.
- 4.3. The Agreement shall be concluded by the timely confirmation of the Order in accordance with Article 4.1.
- 4.4. The content of the Agreement shall be determined exclusively by the Order, the documents identified as such in the order and these General Purchasing Terms and Conditions.
- 4.5. In the event of inconsistencies between the Order and these General Purchasing Terms and Conditions, the content of the Order prevails.

Article 5. Prices

- 5.1. The prices stated in the Order are fixed. All amounts are in euro's. The parties must jointly agree to any changes to those prices in writing.
- 5.2. The prices stated in the Order include the cost of all necessary material, equipment and documentation, all cost of handling, transport, duties, taxes (V.A.T. excluded), insurances, permits, premiums, plant, supervision, labour, reproduction,



communication and all other components whether of a temporary or permanent nature required to fulfill the Order. The parties must jointly agree to any changes to those prices in writing.

- 5.3. The prices of the Products include the standard packaging and duty-paid delivery (“DDP”) to the destination specified by the Buyer (Incoterms 2020).
- 5.4. The prices specified in the Order shall be the basis for calculating the prices of supplemental work and less work. If such rates are not specified in the Order, the Supplier shall propose such rates for inclusion in the Order within five (5) days after receiving a written request thereto from the Buyer and prior to execution of the supplemental work. The Order will only be effected after the Buyer has agreed to the forementioned rates communicated by the supplier in writing.

II. PERFORMANCE OF THE AGREEMENT

Article 6. Timely Performance

- 6.1. The Supplier must perform the Order in accordance with the time schedule specified in the Order and within the term for performance stated in the Order. The term for performance commences on the Order date, unless the parties agree otherwise in writing.
- 6.2. Should the Supplier fail to meet all or part of the requirements laid down in Article 6.1, the Supplier will immediately be in default without any notice of default being required. In such case, the Buyer shall be entitled, without judicial intervention and without prejudice to its other rights, to terminate the entire Order or to terminate that part of the Order that has not been performed (and to have a third party perform same at the Supplier’s expense).
- 6.3. As soon as circumstances arise or may be foreseen which prevent the Supplier from satisfying the obligations laid down in Article 6.1, the Supplier shall notify the Buyer immediately of this fact in writing, stating the nature of the circumstances, the measures the Supplier has taken and the expected duration of the delay, in default of which the Supplier will be precluded from citing these circumstances at a later time and can no longer invoke Article 22.1. A claim of force majeure shall not release the Supplier from its obligations under the Agreement if it has not complied with the provisions of this Article 6.3.

Article 7. Performance according to the Specification

- 7.1. The Supplier shall be obliged to perform the Order in strict accordance with the Specification and with due observance of the usual requirements of proper and good workmanship.
- 7.2. In performing the Order, the Supplier shall comply with all applicable laws and regulations, including those relating to health, safety and the environment.



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- 7.3. The Supplier is responsible for safety during the performance of the Order and shall take all measures necessary to protect the Products and/or Services, Buyer's employees and Buyer's property from accident, injury, illness, destruction or any damage whatsoever.
- 7.4. The approval of drawings, designs, plans and other documents supplied by the Buyer does not release the Supplier from its exclusive responsibility for their accuracy and any of its obligations under the Agreement.
- 7.5. In the event that the Supplier is required to incorporate or hold material or equipment provided for by Buyer, which is directly or indirectly supplied to Supplier by Buyer, the Supplier shall be liable for any loss of or damages to the material or equipment so supplied to it from the moment it comes into his possession

Article 8. Outsourcing

- 8.1. The Supplier shall perform the Order itself, unless the Buyer has expressly granted its prior written consent to, given permission to, or has issued a written Order allowing the Supplier to contract out work, use any sub-contractors, or source any products or services from third parties. The Supplier shall be responsible for the performance of third parties engaged in performing the Order as if it were its own performance.
- 8.2. The Supplier is required to provide the Buyer with copies of subcontractor agreements and all requested shipping and delivery information of Products and Services upon the first request of the Buyer.
- 8.3. The Supplier shall indemnify the Buyer against all claims made by third parties involved in performing the Order.
- 8.4. The Supplier shall ensure that hired subcontractors have received these General Purchasing Terms and Conditions, have agreed to them and declare that they conform to their contents.

Article 9. Amendments to the Order

- 9.1. Notwithstanding the provisions of Article 15.1, if and to the extent that the Buyer wants to make changes to the Products and/or Services (e.g. increase or decrease the quantity of any part of the Works and require the execution of additional work), the Buyer will send a written change order to the Supplier. After the acceptance of the change order, the Order is changed accordingly.
- 9.2. The Buyer shall be entitled to amend the Specification. Should this amendment result in a substantial change in the costs or the time necessary for the performance of the Order, then the price or date of delivery or supply of the Order will be reasonably adjusted accordingly. The Supplier shall inform the Buyer within ten (10) days of receiving written notification of the amendment if the amendment will result in a substantial change in the costs or the time necessary for the performance of the Order, in default of which the Supplier shall forfeit its right to adjust the Order. In anticipation of an Agreement between the parties concerning the possible amendment of the Order, the Supplier shall perform the Order in accordance with the amendment proposed by the Buyer.

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- 9.3. Unless the parties agree otherwise in writing, any sums due to the Supplier as a result of a change order become payable in accordance with Article 16.

Article 10. Delivery

- 10.1. Delivery by the Supplier will take place at the place and time stated in the Order and DDP ('Delivered Duty Paid', Incoterms 2020, International Chamber of Commerce) unless expressly agreed otherwise. If no exact time of delivery has been agreed, then the Supplier is obliged to deliver on Monday to Thursday between 8.00 AM and 4.30 PM and Friday from 8 AM to 3.30 PM.
- 10.2. The Supplier is obliged to ensure proper standard packaging and suitable transport. Partial deliveries are permitted only if such are expressly stipulated in the order.
- 10.3. The Supplier shall strictly conform with the Buyer's instructions regarding preservation, certification, labelling, shipment, transport documents to accompany delivery, etc.
- 10.4. The Buyer shall be entitled to reject shipments which do not conform with the provisions of this article 10.1 up to and including 10.3.

Article 11. Inspection after delivery

- 11.1. Unless agreed otherwise in the Order, the Buyer shall inspect the Products delivered by the Supplier within a reasonable time starting from the delivery, whereby in any case a period of one (1) month is considered reasonable. If that inspection indicates that (part of) the Products do not comply with the Order, then the Buyer shall notify the Supplier in writing. Sections 6:89 and 7:23 Dutch Civil Code shall not apply.
- 11.2. The inspection shall not preclude the Buyer from claiming the Supplier's non-performance of any of its obligations towards the Buyer, including but not limited to its warranty obligations as stipulated in Article 13.

Article 12. Inspection of the Services

- 12.1. The Supplier shall perform the Services in accordance with the Agreement and with the expertise that may be expected from an experienced Supplier and shall comply with all standing rules, codes of conduct and safety regulations, etc., imposed by the Buyer.
- 12.2. The Supplier shall notify the Buyer in writing when the Supplier believes that the Services have been fully and correctly performed. The Buyer shall notify the Supplier within a reasonable period of time whether or not the Services are approved. The Services shall only be considered to have been accepted by the Buyer after the Buyer provides the Supplier with written notification that the Services have been rendered to the Buyer's satisfaction.

Article 13. Guarantees

- 13.1. The Supplier shall warrant the proper quality of the Products delivered and/or Services performed by it. In particular, the Supplier shall in any case warrant that:
- (a) the Products and/or Services are suitable for the purpose for which they are intended;
 - (b) the Products are new, of good quality and free of defects in design, processing, fabrication, construction and measurement;

- (c) the Products are free of attachment, retention of title, third party rights etc.;
 - (d) the Products and/or Services have been manufactured and/or performed in accordance with the most recent state of the art;
 - (e) the Products and/or Services conform completely with the Order, the Specification and the other provisions and documents of the Agreement;
 - (f) the Products and/or Services are fully in compliance with all of the applicable laws, regulations, etc.;
 - (g) the Supplier will supply all maintenance and repair services as well as the necessary spare parts at fair prices for the first ten (10) years starting from the delivery of the Products or the issuance of the written notification mentioned in Article 12.2 regarding the performed Services.
- 13.2. Without excluding any liability of the Supplier, the Products and/or Services shall in any case be considered unsuitable if, within one (1) year of delivery, defects become apparent, unless these defects are attributable to gross negligence on the part of the Buyer, intentional misuse by the Buyer or the Buyer's substantial failure to perform proper maintenance.

Article 14. Transfer of ownership and risk

- 14.1. The ownership and the risk of the Products and/or Services supplied is transferred to the Buyer at the time of delivery and with the approval of the Buyer by a person duly authorized for this purpose or at the time of payment, whichever is earlier.
- 14.2. Even if ownership has been transferred to the Buyer, The Supplier shall bear the risk of harm to or loss of the Products until the time at which the Products are delivered to, and accepted by, the Buyer.

Article 15. Suspension

- 15.1. The Buyer shall be entitled to postpone the delivery of the Products and/or the performance of (a part of) the Services in whole or in part with immediate effect and for a reasonable period of time, free of charge, by providing the Supplier with a written statement to that effect. The Buyer's written statement shall indicate the amount of time for which the term for delivery and/or performance is being extended.
- 15.2. If the Buyer avails itself of the right referred to in this Article 15.1, the Supplier shall store the Products (if any) in a suitable place in such a manner that they are identifiable as being destined for the Buyer and shall take suitable measures to prevent a loss of quality in the Products. The Buyer shall pay the Supplier a reasonable amount of direct costs incurred in relation to said storage.

Article 16. Invoicing, payment and offset

- 16.1. Unless the parties agreed otherwise, the Buyer shall not owe payment until the Order has been performed in full. The Supplier shall be entitled to issue an invoice once performance is complete in accordance with the Order. The payment term is thirty (30) days from the Buyer's receipt of the relevant invoice.



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- 16.2. All invoices must specify the Order number, the itemized prices, the discount terms (if any) and the VAT identification number, failing which the invoice shall be deemed not to have been received and shall be returned by the Buyer to the Supplier for completion. The payment term in this case does not start until the corrected invoice is received.
- 16.3. The Buyer shall be entitled to offset all debts it owes to the Supplier against any claim that the Buyer has against the Supplier or against a group company affiliated with the Supplier. If the claim offset by the Buyer has not yet become due, a discount shall apply in an amount equal to the statutory interest owed for the period between the offset date and the due date.
- 16.4. Without prejudice to its statutory rights to postpone performance, the Buyer and shall be entitled to suspend payment to the Supplier as long as the Supplier, or a group company affiliated with the Supplier, continues to default on its obligations to the Buyer pursuant to the Agreement or any other agreements.
- 16.5. Costs arising from Products and/or Services provided by the Buyer shall be borne by the Supplier.
- 16.6. The Buyer is not obliged to pay invoices that, for whatever reason, are received by the Buyer for payment more than six (6) months after the date of actual delivery or service provision.
- 16.7. Payment never entails any waiving of rights.

Article 17. Audit rights

- 17.1. The Buyer shall have the right to access Supplier's books, receipts, and any other documents in connection with the Order for the purpose of auditing the cost of the Products and/or Services or for any other reasonable purpose.
- 17.2. Contractor shall preserve all documents in connection with the Order for a minimum of three (3) years after expiration of the guarantee period for the Products and/or Services or after the termination of the Contract.

Article 18. Goods made available by the Buyer

- 18.1. The Buyer shall remain the owner of all goods made available to the Supplier in connection with the Order. The Supplier shall at all times refrain from using these goods in such a way that third parties or the Supplier acquire ownership of same through alteration, accession, confusion or any other cause. If the aforementioned goods become part of a Product, the Buyer shall acquire ownership of that Product by operation of law without any further act of delivery being required. This provision shall not prejudice the provisions regarding risk contained in Article 14, which shall remain in full force and effect.
- 18.2. The Supplier shall use these tools entirely at its own risk.
- 18.3. The Supplier shall return all models, drawings or other tools that the Buyer has provided to the Supplier in good condition.

Article 19. Liability and indemnity

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- 19.1. The Supplier shall perform the Order entirely at its own risk. The Supplier shall compensate all harm or loss resulting from or connected with the performance of the Order that is incurred by the Buyer or by third parties, regardless of whether that harm or loss is caused by the Supplier, its personnel or parties whom the Supplier has involved in the performance of the Order.
- 19.2. The Supplier shall be fully liable for or any damages that the Buyer or any third party may incur as a result of or in connection with the placement, delivery, installation, commissioning etc. of the goods supplied and/or the Services performed, even if the Supplier is not culpable in any way for the creation or existence of those defects. This includes damages due to pollution, contamination, personal injury and/or death.
- 19.3. The provisions of Articles 19.1 and 19.2 shall also inure to the benefit of any aggrieved third parties referred to therein. The Supplier shall indemnify the Buyer against all claims which such third parties may assert against the Buyer.

Article 20. Exclusion and limitation of liability of the Buyer

- 20.1. The Buyer shall solely be liable for damages incurred by the Supplier. The Buyer limits its liability by reason of or in connection with either the agreement with the Supplier or as a result of an unlawful action, negligence or violation of legal obligations or otherwise, to direct damage. The Buyer is not liable for indirect damage, including in any event consequential damage, lost profits, lost income, loss of reputation or lost data. In all cases the liability of the Buyer regardless of the legal grounds of liability, is limited to the amount paid out by the Buyer's liability insurer plus the deductible (if any). In the event that damages suffered by the Supplier are not compensated by any insurer, the Buyer's liability shall at all times be limited to a total amount of € 500.000,-.
- 20.2. The right to compensation of damages exclusively arises if Supplier reports the damage to Buyer in writing as soon as possible after the damage has occurred, but in any event within fourteen (14) days after the Supplier becomes aware of the damage, after which the Supplier's right to sue over the performance delivered by the Buyer shall expire. The aforementioned deadline is an expiration period (*vervaltermijn*).
- 20.3. Any claim for damages against the Buyer shall be time-barred (*verjaard*) by the passage of twelve (12) months starting from the day on which the damage occurred, unless Supplier has instituted a legal action for damages prior to the expiry of this term.
- 20.4. The exclusions and limitations referred to in articles 20.1 up to and including 20.3 are without any prejudice to the other exclusions and limitations of Buyer's liability described in these General Purchasing Terms and Conditions, and cease to apply if and to the extent that the damage is caused by intent or deliberate recklessness on the part of Buyer's management.

Article 21. Termination of the Agreement

- 21.1. The Buyer is entitled to dissolve all or part of the Agreement and/or other agreements ensuing therefrom without any further notice of default and/or judicial intervention being required, to dissolve all or part of the Agreement, without prejudice to the Buyer's right

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to claim compensation for all loss or harm, expenses (including related judicial and extrajudicial expenses) and interest expenses it incurs, if:

- (a) the Supplier is declared bankrupt, put into receivership or placed under administration;
 - (b) the Supplier receives or requests a suspension of payment;
 - (c) the Supplier participates in a debt-restructuring scheme, whether or not voluntarily;
 - (d) the Supplier ceases to operate all or a substantial part of its business, transfers it to a third party or liquidates it in another manner;
 - (e) an attachment is levied in such a manner that there are reasonable grounds for doubting whether the Supplier will be able to continue all or part of its business activities (or those relevant to the Buyer);
 - (f) the Supplier fails to perform any of its obligations pursuant to the Agreement or other agreements ensuing therefrom.
- 21.2. Termination of Agreement or agreements will take place by means of a signed written declaration to this effect by the Buyer. Following termination, any claims which the Buyer may have or acquire against the Supplier following the termination of the Agreement or agreements shall immediately be payable in full and due.
- 21.3. Obligations that by their nature are intended to also continue to apply after the Agreement has been terminated will continue to apply after this Agreement has been terminated. These obligations include in any case: guarantees (article 13), liability and indemnity (article 19), exclusion of liability (article 20), Intellectual property (article 24), Confidentiality (article 25) and disputes (article 26).

Article 22. Force Majeure

- 22.1. Without prejudice to the provisions of Article 6.3, if a force majeure situation lasts for more than sixty (60) days, either Party has the right to terminate the Agreement in writing, for breach (*ontbinden*). In such event, all that has already been performed under the Agreement must be paid for on a proportional basis, without anything else being due by either party to the other party.

Article 23. Insurance

- 23.1. On entering into the agreement with the Buyer the Supplier undertakes to sufficiently insure and to keep insured its liability obligations in pursuance of the law for property damage, personal injury and net material loss, and furthermore to insure and to keep insured all insurable risks in its business operations under normal conditions. The Supplier will ensure insurance cover of at least € 5.000.000,-.
- 23.2. On the Buyer's request the Supplier will immediately produce the policies and proofs of premium payment (or certified copies thereof). The Supplier will not terminate the insurance agreement or agreements, or the conditions under which these are entered into, or change or lower the insured amount or amounts to the detriment of the Buyer,

without the prior written permission of the Buyer. The insurance premiums payable by the Supplier will be considered to be included in the agreed prices and fees.

Article 24. Intellectual Property

- 24.1. The Supplier grants the Buyer a non-exclusive, irrevocable license, pursuant to which license the Buyer shall have the right to use and apply the inventions and know-how incorporated in the Products and/or Services, to the extent protected by such intellectual property rights, in the conduct of its business, including repairing the Products (or having them repaired), and the Buyer shall also be entitled to supply the Products to third parties, whether or not as part of other goods and/or products. The fee for this license is included in the agreed price.
- 24.2. If the Products and/or Services supplied consist of a product developed for the Buyer, then the Buyer acquires all rights in this respect, including the intellectual property rights in connection with this product, and the Supplier waives all of its rights in this regard.
- 24.3. The Supplier warrants that the Products and/or Services, alone or in combination, do not infringe the intellectual property rights of any third parties and shall indemnify the Buyer and its clients for all damages that may arise as a result of any infringement or alleged infringement of such rights.
- 24.4. The drawings, models, designs, calculations, samples, software, materials etc. provided by or on behalf of the Buyer, including any copies made of these, remain the property of the Buyer and must be immediately returned on the Buyer's first request to this end or (at the Buyer's discretion) destroyed. The Buyer reserves all intellectual property rights in connection with these items. The Supplier is obliged to store these separately from objects that belong to itself or third parties, and recognisably as the property of the Buyer.

Article 25. Confidentiality

- 25.1. Any and all information, designs, drawings and other documents provided by or on behalf of Buyer, including the existence of the Agreement, shall be treated as strictly confidential and shall only be used by Supplier for the purpose of this Agreement.
- 25.2. Disclosing information is only allowed to any of its employees or a third party on a strict need-to-know basis, except in case Supplier is required to disclose the information by law or by virtue of a court order, provided that the Supplier shall immediately inform the Buyer.
- 25.3. Except to the extent required under applicable laws or necessary for the performance of remaining obligations under the Agreement, upon the first request of the Buyer, all confidential information shall be promptly returned to the Buyer or, if requested by the Buyer, be destroyed after the performance of the Agreement or the termination of the Agreement.
- 25.4. The Supplier and/or its employees will sign a confidentiality agreement in addition to this clause at the Buyer's first request.



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Article 26. Disputes

- 26.1. All disputes that may arise as a result of or in any way related to this Agreement or the Order, or any further agreements that may result therefrom, shall be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute at Rotterdam. The dispute will be settled by one (1) arbitrator, who will be appointed in accordance with the aforementioned rules.
- 26.2. The place of arbitration shall be The Hague, Netherlands.

Article 27. Safety Policy

- 27.1. The Buyer maintains a security policy that is applicable to visitors at our site in Drachten and can be freely accessed online at the following website: [Bezoekersregistratie Mustad Drachten](#). When entering the supplier is obliged to fulfill its obligations under this Agreement in compliance with this security policy.

Article 28. Miscellaneous

- 28.1. Unless otherwise is agreed between the Parties in writing, all correspondence, drawings and documents in connection with the Agreement shall be in the English language.
- 28.2. If any provision(s) of these General Purchasing Terms and Conditions should be or become ineffective or invalid the other provisions will not be affected thereby. Parties agree to replace the ineffective or invalid provision(s) by a provision of similar importance, which reflects as closely as possible the intent of the original clause.
- 28.3. Supplier shall not assign or transfer the Agreement in whole or in part without Buyer's written consent. Such consent shall not relieve Supplier from, and shall be subject to compliance with, any of the obligations under the Agreement. The Buyer is entitled to assign or transfer this Agreement or any part thereof to any third party on prompt notice to the Supplier.