

MOKVELD GENERAL CONDITIONS FOR THE PURCHASE OF GOODS

1. General

- 1.1 The Mokveld General Conditions for the purchase of goods (“**Conditions**”) are applicable to and form an integral part of any agreement of Mokveld Holding BV, Mokveld Valves B.V., Mokveld Central Europe GmbH, Mokveld USA, Inc., Mokveld U.K. Ltd., or Mokveld Norge A.S. Mokveld Malaysia Sdn. Bhd. (“**Mokveld**”) with regard to the supply of goods by a contractor (the “**Contractor**”) to Mokveld and/or for the benefit of Mokveld’s client, affiliate or a third party (the “**Agreement**”), as well as Mokveld’s offers leading to the conclusion of an Agreement. The applicability of general conditions used by the Contractor is explicitly excluded.
- 1.2 In the Conditions Mokveld and the Contractor are also referred to separately as the Party and jointly as the “**Parties**”.
- 1.3 The term “**Good**” in these Conditions shall have the same meaning as a good as meant in Section 3:1 of the Dutch Civil Code as in force from time to time (i.e. any item and any property right and includes, in addition thereto, all the activities and services in connection with the supply of Goods including the supply of documents and / or certificates specified in the Agreement relating to such Goods.
- 1.4 Mokveld will only be bound to deviations from the Conditions which it has explicitly accepted in writing.
- 1.5 Any Agreement is formed by Mokveld receiving an order confirmation in which the Contractor undertakes to supply Goods to Mokveld in accordance with the Agreement.

2. Price

- 2.1 The amount to be paid by Mokveld to the Contractor under the Agreement is expressed in the agreed currency. If no specific currency has been agreed, the amount to be paid by Mokveld to the Contractor under the Agreement will be expressed in Euros.
- 2.2 The price agreed and specified in the Agreement is fixed and applies to the carriage and/or shipment which is necessary for the delivery free at the agreed location, includes all costs such as, but not limited to, transport costs and insurance premiums, price risk, costs of packaging, except for packaging materials on loan, as well as taxes, duties and charges in the country of origin, the country of destination and in all transit countries, but does not include turnover tax.

3. Quality; quantity

The Contractor warrants that the Goods supplied:

- (A) match any models provided by Mokveld under the Agreement, meet the specifications set out in the Agreement and are suitable for the intended purpose or purposes indicated in the Agreement;

- (B) meet the requirements set for the Goods in the Agreement and all the requirements following from (i) law or secondary legislation applicable in the place where Mokveld has its registered office or - if delivery has to take place at another location - at the place of delivery, as well as (ii) the law applicable to the Agreement;
- (C) are of good quality (indicated in the Agreement) and without faults in design, construction, manufacture, assembly and materials, and must be fit for normal and regular use or application; and
- (D) are of the quantity specified in the Agreement.

4. **Payment**

- 4.1 Payment by Mokveld for the Goods will be realised through transfer into a bank account to be indicated by the Contractor within ninety (90) days after the invoice date, provided (i) that date is a date after the date of delivery, or in any event within ninety (90) days after assembly or installation, if the assembly and installation is performed by the Contractor, and (ii) the Good have been provisionally accepted by Mokveld. If the invoice date is a date before the delivery, Mokveld will settle the invoice for the Goods supplied within ninety (90) days after the date of delivery, provided the Goods have been provisionally accepted by Mokveld. Payment for the supplied Goods does not discharge the Contractor from any warranty given under and/or liability as may arise from the Agreement.
- 4.2 Mokveld reserves the right to withdraw 10% of the total amount of the invoice until it has received any and all documents, such as for instance certificates, it is entitled to by law or secondary legislation, under the Agreement, otherwise necessary or which it may reasonably require with regard to the supplied Goods.
- 4.3 Mokveld does not accept liability for any delay (i) in the receipt of payments caused by the bank indicated by the Contractor, or which (ii) is related to the bank account indicated by the Contractor for payment.
- 4.4 If the Contractor requires Mokveld to pay for the Goods in another manner than indicated in clause 4.1 of the Conditions, such payment will be made at the risk of the Contractor.

5. **Times for Delivery**

- 5.1 The Contractor has to deliver the Goods at the date and time specified in the Agreement. All times for delivery agreed by the Contractor and Mokveld are absolute deadlines. As soon as the Contractor has sound indications or may reasonably expect that the agreed delivery date will not be met, he is obliged to notify Mokveld immediately in writing of the expected duration of, and the reason(s) for, the delay. Such a notification shall not discharge the Contractor of his liability to Mokveld on account of late delivery. Should there be a full or partly overdue delivery of Goods, Mokveld may (i) claim penalties as described below in clause 5.2 of the Conditions, (ii) suspend fully or partly any payment(s) and/or (iii) terminate this Agreement in part or in whole in accordance with clause 17 of these Conditions without being obliged to pay any compensation.

5.2 The penalty for delay in delivery of Goods for each complete week or part of a week that the delivery of the Goods is overdue will be determined by Mokveld at its own discretion, and amounts to either 1% to 5% of the total consideration set in the Agreement with regard to the delivery of the Goods, or in the event of Goods being supplied in parts, the full price for the supply of the respective parts, of which the delivery has been delayed.

5.3 Mokveld claiming penalties in accordance with the provisions set out in clause 5.1 to 5.2 of the Conditions, does not affect Mokveld's rights to claim (punitive or alternative) compensation from the Contractor for the actual damage Mokveld has suffered due to any failure by the Contractor to perform under or an unlawful act in connection with the Agreement.

6. **Packaging**

6.1 The Goods to be supplied under the Agreement must be packaged and be marked by the Contractor in accordance with the instructions and specifications given by Mokveld, and/or its client or affiliate. At Mokveld's first request the Contractor must ensure that at or after the delivery all used packaging is promptly removed at the Contractor's expense.

6.2 The Contractor will hold Mokveld harmless from the costs which Mokveld has to incur pursuant to any applicable law for and in connection with the removal, clearing away or destruction of packaging.

6.3 On Mokveld's demand, the Contractor shall return packaging material owned by Mokveld in good state and condition.

7. **Changes**

7.1 Mokveld may require the Contractor to replace Goods to be delivered under the Agreement by Goods of other specifications than those mentioned in the Agreement, or to deliver the Goods at another place of delivery or on another date and time than stated in the Agreement.

7.2 The Contractor is obliged – within the limits of reasonableness – to act in conformity with Mokveld's instructions or request as stated in clause 7.1 above.

7.3 The Contractor may in the event of instructions or requests as mentioned in clause 7.1 above, within limits of reasonableness, amend the price. In the event Mokveld requests Goods of other specifications or delivery of the Goods another location, the Contractor may request delivery on another delivery date remains unchanged. Any request by the Contractor to amend the price or delivery date with regard to any instructions or requests as described in clause 7.1 above, must be notified to Mokveld in writing as soon as possible, but not later than 2 weeks after Mokveld's request or instruction. In the event the change in the Agreement leads to a new price and/or delivery date, Mokveld will be entitled to demand an unchanged execution of the Agreement, or a changed execution acceptable to Mokveld.

8. **Inspection, Test, Check**

8.1 Mokveld, its clients or third parties instructed by Mokveld, have at all times the right prior to, during or within due time after the delivery of the Goods to check, inspect or test them anywhere.

- 8.2 The Contractor shall comply, to the extent possible, with Mokveld's reasonable request to be allowed to check, inspect or test the Goods in accordance with clause 8.1. If incompleteness or the lacking of certain parts of the Goods prevents Mokveld from running such checks, inspections or tests, Mokveld will be entitled to purchase at the Contractor's expense the relevant parts necessary to run these checks, inspections or tests.
- 8.3 The Contractor shall grant Mokveld and those acting on behalf of Mokveld access to the production and storage facilities where the Goods are located and shall also provide all the information and facilities required for a check, inspection or test.
- 8.4 If from a check, inspection or test, it would appear that the Goods do not meet the requirements set in the Agreement or by law or secondary legislation, or if they do not meet the criteria which they may be expected to meet under normal use or application, within a reasonable period thereafter, Mokveld will notify the Contractor of this in writing, by fax or via e-mail stating its objections. Mokveld will also be entitled to give instructions to the Contractor how to improve the quality of the Goods.
- 8.5 If a situation or circumstance as described in clause 8.4 of the Conditions arises, Mokveld will be entitled, notwithstanding its powers provided in clause 17 of the Conditions, to demand delivery of new Goods within a period to be determined by Mokveld at its own discretion without being obliged to pay any extra amount. Moreover, in such an event Mokveld may suspend the payment for the Goods referred to in clause 8.4 of the Conditions until (i) the Contractor's obligations under the Agreement have been further fulfilled; or (ii) the issue with regard to the complaint referred to in clause 8.4 of the Conditions has been solved in another manner acceptable to Mokveld.
- 8.6 A Contractor who has received a notice as meant in clause 8.4 of the Conditions, will be given the opportunity by Mokveld during a reasonable period after receipt of this notice, to inspect the Goods himself or have them inspected at his expense by an expert to be appointed by him.
- 8.7 A check, inspection, or test, does not discharge the Contractor from any warranty and/or liability as may arise from the Agreement.

9. **Drawings, Models and Tools**

- 9.1 The drawings, models and tools provided by Mokveld to the Contractor in connection with the Agreement or which the Contractor has made in view of the fulfilment of his obligations under or in relation to the Agreement, remain or become the property of Mokveld and will be provided with clear identification marks indicating Mokveld's ownership. If the drawings, models and tools are not yet marked by Mokveld, these must be fitted to this end with clear identification marks by the Contractor. Mokveld is regarded as their maker, designer or owner respectively. The Contractor is not allowed to use the said drawings, models and tools for any other purpose than the fulfilment of his obligations under the Agreement.
- 9.2 The Contractor will return to Mokveld the drawings, models and tools referred to in clause 9.1 of the Conditions no later than at the date of last delivery of the Goods, failing which Mokveld either (i) can stay the payment of all amounts due under the Agreement until they are returned; or (ii) can deduct from the payment the costs associated with the replacement of the drawings, models and tools not returned (within due time).
- 9.3 Contractor is obliged to store the drawings, models and tools provided by Mokveld

separately from any other drawings, models and tools and will ensure that these are at all times recognisable as drawings, models and tools provided by Mokveld.

10. **Insurance**

- 10.1 The Contractor has to take out adequate insurance for all the drawings, models, tools and other items or Goods received by him from Mokveld under or in relation to the Agreement, and will keep such cover up to date against all risks for damages which can be inflicted on the drawings, models, tools and other items or Goods until the moment at which the goods are (again) in the possession of Mokveld, among which, but not limited to, the following risks: (i) legal liability, (ii) fire, (iii) theft, (iv) product liability, and (v) water damage.
- 10.2 Upon Mokveld's request the Contractor shall provide insight in or a copy of the insurance policy to check whether the abovementioned risks are covered.

11. **Ownership, Risk and Delivery**

- 11.1 The ownership and risk of the Goods will pass unconditionally to Mokveld upon delivery thereof, notwithstanding its right under clause 8 of the Conditions to reject the Goods.
- 11.2 If it has been agreed that the ownership of the Goods, or parts to be included in or materials to be used in relation to the assembling of any Goods passes to Mokveld before delivery, the Contractor will be obliged to insure these Goods "for any interested party" and to manage them as a prudent debtor. The Contractor will ensure in any event, as of the moment Mokveld has made an advance payment in relation to the Goods, which the Goods, ready or not, are made identifiable as the Goods intended for Mokveld.
- 11.3 All Goods purchased by Mokveld will be delivered by the Contractor at the address of the place of Mokveld's respective registered office.
- 11.4 All expressions used in the Agreement with regard to the delivery of Goods have to be interpreted and defined in accordance with the most recent edition of the Incoterms of the International Chamber of Commerce in Paris, France.
- 11.5 The Contractor will safeguard Mokveld against all costs and losses which Mokveld might incur or suffer if upon delivery the Goods are still encumbered with any charge or any right or title or if third parties assert any right with regard or entitlement to these Goods.

12. **Warranty**

- 12.1 The Contractor warrants the conformity of Goods supplied and to be supplied to Mokveld for twelve (12) calendar months after delivery. Should the respective Good(s) form part of a larger object, the period mentioned in the previous sentence will start to run at the moment this larger object is completed, regardless as to who has manufactured or supplied the remaining part of that object.
- 12.2 After the delivery of the replacement or repaired Good(s) and from the re-commissioning of it or, if it belongs to a larger object, the re-commissioning of that larger object, all the warranty periods relating to it will start to run again as described in the Agreement and in clause 12.1 of the Conditions.

13. **Non-compliance, Legal remedies**

- 13.1 If the Good(s) supplied are/is not fit for their intended purpose Mokveld shall at all times – without prejudice to its right to terminate the Agreement for the future and maintain an Agreement for the past – be entitled to demand that the Contractor replaces the Good(s) supplied, entirely at Mokveld’s discretion.
- 13.2 All the costs in connection with a repair or replacement of the Good(s) and the re-commissioning of this Good(s), or if it belongs to a larger object, the re-commissioning of that larger object, including indirectly related costs, are borne by the Contractor. If the Contractor repairs or replaces the Good(s) too late and/or not properly or if the remedy or replacement cannot wait, Mokveld will be free - after a written notification of this to the Contractor - to perform or have performed all that is necessary in this respect at the Contractor’s expense.

14. **Certificates, Declarations, Manuals, Permits**

If under the Agreement, or pursuant to the law or secondary legislation, documents are required in relation to the Goods supplied such as, but not limited to, (ISO) certificates, declarations, manuals, permits and/or other approvals, the Contractor has to ensure that these documents are valid and approved and that they are in the possession of Mokveld promptly, but not later than within one week after the delivery of the Goods, failing which Mokveld will be entitled to suspend the payment of all amounts which it owes the Contractor under the Agreement.

15. **Intellectual Property Rights**

- 15.1 The Contractor guarantees that the Goods supplied by him do not infringe in any way whatsoever any intellectual property right owned by third parties, either in any country where they are produced or performed, or in the country in which Mokveld has its registered office, or at the place of delivery or at the place where they are (or will be) used, including - but not limited to - patents, copyrights, trademark rights, trade name rights etc.
- 15.2 The Contractor holds Mokveld harmless against any claims from third parties resulting from or relating to any infringement meant in clause 15.1 of the Conditions.
- 15.3 All the printing blocks, chips, reproduction materials, aids etc. put at the disposal of the Contractor by Mokveld are and remain the property of Mokveld. The Contractor is obliged to make these Goods available to Mokveld at the first request.
- 15.4 The Contractor shall respect Mokveld’s intellectual property rights including - but not limited to - patents, copyrights, trademark rights, trade name rights etc. relating to any drawings, models and tools etc. owned respectively provided to the Contractor by Mokveld.

16. **Advertising Statements**

Without the prior written consent of Mokveld, the Contractor is not allowed to use products manufactured by or for Mokveld, applications, images, texts and drawings used by Mokveld, such as, but not limited to, logos, models and brand or trade names, for advertisement statements and other publicity purposes.

17. **Termination**

- 17.1 Without prejudice to its entitlement to compensation, Mokveld is entitled to terminate the Agreement unilaterally in full or in part with immediate effect without any notice of default or judicial interference being required, if the Contractor does not, not within due time or not properly fulfil any or all of his obligations under or in relation to the Agreement and also in the event of the Contractor's (threatened) bankruptcy, his (threatened) moratorium, suspension of payment, seizure of Goods in the Contractor's possession intended for the performance of the Agreement and the close down or liquidation of his business. In the event of a partial termination, Mokveld will have, notwithstanding its entitlement to compensation, at its own discretion the right to:
- (A) send back to the Contractor at the latter's expense and risk any Goods already delivered but not (or no longer) useful and reclaim any payments already made for these Goods; and
 - (B) complete the Agreement itself or have it completed by third parties at the Contractor's expense after a written notice, by using the Goods already supplied by the Contractor, if Mokveld deems such use of these Goods fit, against a fee payable by Mokveld if it deems such fee reasonable.
- 17.2 All claims which Mokveld might have or acquire as a result of the termination, including their claim for compensation, if any, are immediately due and payable.

18. **Liability, Indemnity**

- 18.1 The Contractor holds Mokveld harmless against any and all costs and damages caused by claims by third parties against Mokveld or its affiliates in connection with or relating to the Agreement such as, but not limited to, product liability claims or on the account of infringement of intellectual property rights.
- 18.2 The Contractor has to take out insurance up to a sufficient sum for his liability exposure to Mokveld, Mokveld's affiliates, Mokveld's clients or third parties with regard to costs and losses in connection with or relating to the Agreement.

19. **Confidentiality**

- 19.1 The Contractor will observe confidentiality and therefore not disclose to any third parties any drawings, models, constructions, schedules and other operational information and know-how in the broadest sense of the word derived from or put at his disposal by Mokveld and/or Mokveld's clients or Mokveld's affiliates in connection with or in the course of the execution of the Agreement and which has not been disclosed in any way whatsoever by Mokveld, and/or Mokveld's clients or Mokveld's affiliates.
- 19.2 The Contractor shall ensure that the obligation of confidentiality as referred to in clause 19.1 above extends to its own staff or third parties the Contractor engages for the performance of the Agreement.

20. **Contracting out, Transfer, Assignment**

- 20.1 Without Mokveld's prior written consent the Contractor is not allowed to contract or transfer or assign any obligation laid down in or pursuant to the Agreement.

20.2 A consent given by Mokveld in relation to clause 20.1 of the Conditions does not discharge the Contractor from his liability to fulfil any obligation under the Agreement.

20.3 Any transfer of rights granted in the Agreement to the Contractor is exclusively governed by Dutch law.

21. **Partial Nullity**

In the event of the nullity of a provision of the Agreement, the rest of the Agreement will remain in force. In the event that a provision of the Agreement is or has been declared null and void, the Parties will try jointly to replace the null and void provision by a provision reflecting as much as possible the purpose and purport of the Agreement as the null and void provision does.

22. **Communication**

22.1 All communications in connection with the Agreement should be sent in writing to the address of the respective Party specified therein.

22.2 The requirement of written communication, such as a notice under the Agreement, is deemed to have been complied with if the communication has been done in electronic writing such as by e-mail.

23. **Applicable Law and Disputes**

23.1 The Agreement and further agreements related thereto, as well as an offer resulting in the conclusion of an Agreement are governed by Dutch law.

23.2 Any disputes in connection with or in relation to the Agreement will be exclusively submitted for adjudication to the competent court of the The Hague District Court.

24. **Interpretation**

In the event of inconsistencies between provisions included in these Conditions and other written provisions forming part of the Agreement, the latter will prevail.