

General Terms and Conditions of Delivery of CNC International B.V.

Article 1 General

1. These general terms and conditions of delivery shall apply to all offers issued by and orders placed with CNC International B.V., having its registered office and principal place of business at Burgemeesterlaan no. 2, 6002 EG Weert (the Netherlands), registered with the Chamber of Commerce under number 59617624, hereinafter to be referred to as "CNC".
2. These general terms and conditions of delivery have been filed with the Chamber of Commerce in Roermond, the Netherlands, under number 59617624 and can be viewed on and downloaded from the www.cncinternational.eu website.
3. Any reference in these general terms and conditions of delivery to the "customer" shall refer to any private individual or legal entity who wishes to enter into an agreement with CNC and/or the party for whose account the products are delivered.
4. CNC aims to send its customer a copy of its general terms and conditions of delivery. It shall be prepared to send the customer a copy of its general terms and conditions of delivery on request at any time.
5. If the customer also refers to its own or other general conditions, the conditions of the customer shall apply only if not conflicting with CNC's general terms and conditions of delivery and applicable legislation and regulations.
6. Any derogation from these general terms and conditions of delivery shall be valid only with CNC's consent and after the relevant agreements have been set forth in writing.
7. Acceptance of an offer or placing an order shall constitute the customer's acceptance of the applicability hereof.
8. CNC reserves the right to amend these general terms and conditions of delivery.

Article 2 – Formation of the Agreement

1. Unless expressly stated otherwise in the quotation, all quotations issued by CNC shall be without engagement. The quotations and offers may be revoked by CNC until promptly after acceptance by the customer.
2. Without prejudice to the foregoing CNC's quotations shall remain valid for a period of thirty (30) days, unless expressly stated otherwise in the quotation.
3. If an offer is confirmed by CNC in writing and the customer fails to notify CNC of any objections ultimately within three (3) days of the date of such confirmation, CNC's order confirmation shall be binding on both parties. An order confirmation shall also include a written confirmation by CNC of the discussions and oral agreements made between the parties.
4. Any additional agreements and/or promises made by a CNC employee or made by others acting as CNC representatives on CNC's behalf shall be binding only if confirmed in writing by one or more CNC executives with power of representation.

Article 3 Prices and Security

1. All prices used by CNC are exclusive of *BTW* (Dutch VAT). The *BTW* due shall be charged separately. To the extent that CNC has incurred costs in connection with the delivery of the product to the customer, including transport costs, CNC may charge such costs to the customer separately.
2. CNC may pass on to the customer any price-increasing costs (such as increases in purchase prices, wages, transport costs, taxes and/or levies) that have occurred within three (3) months of formation of the agreement. If price-increasing costs are passed on the customer shall be entitled to dissolve the agreement if it cannot reasonably be required to continue the agreement given the scope of the price-increasing costs. Dissolution by the customer on this ground shall not affect CNC's right to claim damages, whereas CNC itself shall not be under any obligation to pay damages. In the event of an

effective price decrease imposed by third parties, CNC shall be entitled to dissolve the agreement, without any liability arising on its part to pay damages.

3. If, in CNC's reasonable opinion, the customer's financial position gives rise thereto, the customer shall be under an obligation, on the supplier's demand, to provide security – additional or otherwise – or to make an advance payment, to CNC's satisfaction, for performance of its obligations under the agreement. If the customer fails to provide security or make an advance payment, CNC shall be entitled, at its discretion, either to suspend performance of its obligations under the agreement or to dissolve the agreement with immediate effect, without prejudice to its right to claim damages and without any liability arising on CNC's part to pay damages to the customer.

Article 4 Payment

1. Unless expressly agreed otherwise in writing, the customer shall pay the amount due by it to CNC promptly on the date of the Pro Forma invoice, either by payment in cash to CNC or by transfer to a bank or giro account designated by CNC, in the currency agreed.
2. If and to the extent that the amount due, or any part thereof, is not received by CNC on or before the agreed date, CNC shall be entitled, without prejudice to its right to claim performance:
 - to charge interest to the customer equal to 1.5% per month, with effect from such date, on the difference, or such part thereof, for the purpose of computation of which part of a month shall be counted as a full month, and
 - to suspend performance of its obligations under all agreements entered into with the customer.

If, the customer fails to pay the full amount due within the further term set for it even after written or electronic reminder, CNC shall be entitled to dissolve the agreement with immediate effect and without any judicial intervention being required, without prejudice to its right to claim damages, and without any liability arising on CNC's part to pay damages. CNC may charge to the customer all costs to be incurred by it in or out of court to preserve its rights vis-à-vis the customer. The extrajudicial costs of collection shall amount to 15% of the amount due, with a minimum of EUR 1,200.

3. Any payment made by the customer shall first go to reduce any interest due, subsequently to reduce any costs incurred by CNC in connection with the customer's failure in respect of the agreement, and only then to reduce the (purchase) price due.
4. Unless expressly agreed otherwise, the customer shall not be entitled to any discount, deduction or set-off against any payment.

Article 5 Delivery

1. CNC shall be able to deliver the goods on the date stated in the Pro Forma invoice. In the absence of such a provision the goods shall be delivered on the date deemed appropriate by CNC.
2. CNC shall deliver the goods Ex Works (Incoterms 2000).
3. If the customer requires delivery of the goods according to a different procedure than usual, CNC shall charge the costs involved to the customer, unless agreed otherwise.
4. CNC shall be entitled to engage the services of third parties in the delivery of the order or orders.
5. If delivery is made in consignments, CNC may consider each delivery as a separate transaction.
6. Unless expressly agreed otherwise, delivery shall be effected as agreed in the order confirmation. The goods delivered shall be at the customer's expense and risk if CNC has presented them for delivery but the customer fails – for any reason whatsoever – to take delivery thereof. The costs and damage ensuing from such failure, including costs of storage and safekeeping, shall be at the customer's expense.
7. The customer shall be under an obligation to take delivery of the goods purchased within two (2) weeks of the date of the Pro Forma invoice, failing which CNC shall be entitled,

pursuant to the provisions of Section 6:60 of the Netherlands Civil Code [*Burgerlijk Wetboek*] to claim that the competent court release CNC from its obligation to deliver the agreed goods or, without any prior notice of default being required, to claim payment of the purchase price of the part not taken delivery of.

8. CNC shall be entitled to make changes to the specifications of the goods to be delivered to the extent not affecting the agreed performances and quality.

Article 6 Retention of Title

1. Without prejudice to the provisions of article 5, paragraph 6, title to the goods delivered shall not pass to the customer until all claims in connection with the consideration for goods delivered or to be delivered by CNC to the customer, or services performed or to be performed by CNC for the customer, under the agreement, as well as the claims on account of failure to perform such agreements, have been paid. Until such time the customer shall be under an obligation to keep the goods delivered separate from other goods and clearly identified as the property of the supplier.
2. CNC shall be entitled, at its sole discretion and without any liability arising on its part vis-à-vis the customer, to repossess goods subject to the retention of title as soon as any payment is late or the customer is otherwise in default. The customer shall render its full cooperation in any such repossession.
3. Any passing of title to the goods delivered to the customer as a result of the fact that the customer has paid all claims for which the retention of title was established shall be subject to an undisclosed pledge for CNC as security for payment by the customer of any future claims, on any basis whatsoever, that CNC may have against the customer. CNC shall at all times be entitled – and to the extent necessary is hereby granted irrevocable power of attorney to act on the customer's behalf – to perform the acts required to establish such retained pledge (expressly including establishment of the pledge right by authentic instrument or by registered private instrument) and the customer undertakes, promptly on CNC's request, to render its cooperation in that respect.
4. To the extent that CNC's retention of title in respect of goods delivered ceases to exist due to accession or specification, the customer hereby, in advance, establishes an undisclosed pledge on the goods that become a constituent element or the goods specified for CNC, as security for all amounts due, now and in the future, by the customer to CNC, on any basis whatsoever.
5. If CNC holds any goods belonging to the customer for processing, CNC shall be entitled to retain such goods until the customer has paid all amounts due by the customer to the supplier on any basis whatsoever.
6. The amounts due by the customer to CNC under the agreement shall become immediately due and payable in full in the event that:
 - a) the customer is granted a moratorium on payment of its debts or is declared insolvent or bankrupt, or an application to that effect is filed;
 - b) all or part of the customer's business is terminated or transferred; or
 - c) a prejudgment attachment or attachment under execution is levied against the customer, unless the customer provides appropriate security, in CNC's reasonable opinion, within eight (8) calendar days of a request to that effect from CNC, for all amounts due, now and in the future, by the customer to CNC.

Article 7: Warranties and Complaints

1. CNC warrants that the goods are in accordance with CNC's standard specifications as prevailing on the date of dispatch, or with specifications provided by the customer, if any. At our offer, the belonging documents and data, such as catalogues, brochures, indications of weight and measure, websites and other publications only apply on approach, as far as they have not been indicated explicitly as binding. Small deviations, like for example a technique-dependent over- or underweight of up to 3%, are no substantial lack and give no right to complain and/or the right of lien.

2. Any other warranties, express or implied, in connection with the goods, either used separately or together with other materials, including but not limited to any implicit warranty of fitness or merchantability for any purpose whatsoever, are rejected.
3. The customer shall be under an obligation to inspect the conformity of the products with the agreement upon delivery. If the goods are not in conformity with the agreement, the customer shall notify CNC in writing within five (5) work days.
4. Any complaints in connection with defects that could not be discovered within the term set in paragraph 1 of this article despite careful inspection of the goods shall be reported in writing and received by CNC directly after discovery of the defects. Failure by the customer to file a complaint within the term to be applied as provided above shall be deemed to constitute a full and unconditional waiver of such complaint. If it has been properly proven that the goods are defective, CNC shall, at its own expense and at its own discretion, either replace or repair such goods or refund the price paid by the customer.

Article 8 – Intellectual and Industrial Property Rights

1. The customer shall fully and unconditionally respect all intellectual property rights in the products delivered by CNC.
2. If a third party accuses the customer of infringement of such third party's intellectual property or other rights in respect of goods and/or services provided by CNC, CNC shall endeavour to remove the infringement of such third party's right, for example by modifying the relevant goods and/or services or obtaining a licence. The foregoing shall apply only to goods and/or services produced and/or marketed by CNC itself and not developed on the customer's instructions. To invoke this obligation of means for CNC, the customer shall, on pain of forfeiture of rights, promptly notify CNC of any infringement as referred to in this paragraph and allow CNC to control the defence, if any, or an amicable settlement to be made. Without prejudice to the provisions of article 7, CNC shall at all times reserve the right to modify, or cause third parties to modify, goods and/or services to avoid possible infringement of third-party rights.

Article 9 Dissolution

1. CNC may dissolve all agreements entered into with the customer with immediate effect, and without any judicial intervention being required, by written notice to the customer, without any liability arising on its part to pay damages to the customer, and without prejudice to CNC's right to claim damages from the customer, in the event
 - a) the customer is granted a moratorium on payment of its debts or is declared insolvent or bankrupt, or an application to that effect is filed;
 - b) that all or part of the customer's business is terminated or transferred;
 - c) that a prejudgment attachment or attachment under execution is levied against the customer, unless the customer provides appropriate security, in CNC's reasonable opinion, within eight (8) calendar days of a request to that effect from CNC, for all amounts due, now and in the future, by the customer to CNC; or
 - d) of any other circumstances that cause CNC to have reasonable doubt as to the customer's performance of its obligations under the agreement.
2. In the situations referred to in article 9.1 all amounts due by the customer to CNC, including damages, shall become promptly and fully due and payable.

Article 10 Liability

1. Without prejudice to the provisions of article 7, CNC's liability for damage suffered by the customer under or in connection with an agreement between CNC and the customer:
 - a) is waived to the extent that damage is the result of lost income or reduced revenues, and costs in connection with interruption, standstill and/or reactivating a business or any part thereof; or

- b) for any damage other than that listed under a is limited to the extent that CNC is insured against such damage and, as the occasion arises, such insurance pays out.

The limitations referred to under a and b shall not apply if the customer demonstrates that the damage for which it holds CNC liable is the result of intent or gross negligence on CNC's part.

2. If an event occurs as a result of which the customer suffers, or may reasonably be expected to suffer, damage for which CNC can be held liable, the customer shall expeditiously, but in any case within five (5) days of such event, notify CNC of such event in writing. If the customer fails to notify CNC in writing and in good time, it shall forfeit its right to claim damages as a result of the relevant event. All claims for damages on the customer's part shall prescribe thirty (30) days after the event causing the damage, save to the extent that the damage has been reported to CNC in good time in accordance with the procedure set forth above.
3. In all situations where CNC can invoke the provisions of this article, such provisions may also be invoked by any of CNC's employees as if these provisions had been stipulated by said employees.
4. The customer shall indemnify CNC against any damage that CNC may suffer as a result of third-party claims in connection with the goods or services provided by CNC.
5. CNC shall not be liable for any damage as a result of failure due to circumstances beyond its control, in any event including power failure, failure of Internet connections and failure of the telephone network.
6. Any delay in performance or non-performance on CNC's part shall not give rise to liability on CNC's part if caused by circumstances beyond its control, including force majeure, fire, flooding, explosion, uproar, war, terrorism, perils of the sea, problems with workers, defective machinery, government acts or prohibitory provisions, shortage of raw materials or energy against reasonable costs, and/or traffic jams.

Article 11 Joint and Several Liability

1. If at any time during performance of the agreement the customer consists of more than one private individual and/or legal entity, each of such private individuals and/or legal entities shall be jointly and severally liable to CNC for the obligations ensuing from the agreement.

Article 12 Provisions Surviving Termination

1. Those provisions that, by their nature, are intended to survive termination of the agreement, irrespective the cause, shall remain in effect after termination. The invalidity of any individual provisions for any reason whatsoever shall not affect the validity of the other provisions.

Article 13 Confidentiality

1. The customer shall not in any way whatsoever disclose to any third parties the agreement and all such information as may come to its knowledge in connection with the formation or performance of this agreement and that it knows, or should reasonably suspect, to be of a confidential nature. The previous sentence shall not apply to the extent that disclosure is necessary for the performance of this agreement or the customer is under an obligation to disclose such information pursuant to any statutory regulation.

Article 14 Assignment of Rights and Obligations

1. The customer may assign rights or obligations under the agreement to a third party, or have such third party take over any such rights or obligations, only with the prior written consent of CNC. CNC may attach conditions to its consent.

Article 15 Applicable Law and Competent Court

1. The agreement shall be exclusively governed by the laws of the Netherlands.
2. Any disputes that may arise in connection with, or as a result of, the agreement, including disputes about its existence and validity, shall be submitted to the exclusive jurisdiction of the competent court in the place where CNC has its registered office, unless CNC designates a different court.

Weert, 1 January 2012