

# M.S. STAINLESS LOGISTICS BV

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## **GENERAL PURCHASE CONDITIONS**

1. These general conditions are applicable to all business acts, offers and agreements between companies within the M.S. STAINLESS INTERNATIONAL GROUP HOLDING BV, referred to hereinafter as "MSG", and all of our business partners ("BPs"), unless expressly otherwise agreed on in writing. Conditions of third parties shall not be binding on us, unless expressly declared applicable by us in writing.
2. That will also apply if BPs send us agreements, enquiries, orders, offers, order confirmations or whatever correspondence in which explicit reference is made to the conditions of BPs. We consider those as business propositions with our purchase conditions continuing in full force unless we have accepted the applicability of the conditions of BPs in writing in specific cases.
3. Commercial terms used in correspondence, offers, agreements or otherwise shall be interpreted according to the International Code for the Interpretation of Commercial Terms drawn up by the International Chamber of Commerce (ICC Incoterms) as applicable at the time of conclusion of the agreement, and to the extent not contrary to these purchase conditions.
4. These general purchase conditions prevail above selling conditions of seller unless expressly declared applicable by us in writing.
5. Orders and related understandings shall not be binding on us unless confirmed in writing by or on behalf of the Purchase Department or our management board. The terms and prices stated in our purchase order shall apply. If the seller does not agree thereto, he must report so to our Purchase Department immediately. Delivery of what was ordered without prior reporting of any deviations established by the seller shall mean unconditional acceptance of the terms and prices stated by us in the purchase order.
6. Unless any provision of the agreement provides otherwise, the ownership and risk of the goods shall pass to us on delivery to us at the place of destination, without prejudice to the provisions of Articles 6 and 7.
7. Without prejudice to the provisions of Article 8, we shall be entitled to reject goods delivered by the seller if, in our reasonable opinion, these are not in accordance with specifications set by us or with samples approved by us. In such cases we are entitled to postpone the payment and, at our option, either to cancel the order or to oblige the seller to replace the goods within 5 days from the date of rejection, without prejudice to our entitlement to full compensation for any loss suffered by us.
8. Unless otherwise agreed on, we will not be obliged to inspect or cause to inspect any seller-delivered goods on a short notice. The seller warrants that goods to be delivered are manufactured, packaged, stored and transported with the greatest possible care to ensure their high quality, and that they are fully in accordance with the description given in our order. If, in our reasonable opinion, such care or accordance is lacking, we shall notify the seller thereof. In such cases we are entitled to postpone the payment and, at our option, either to cancel the order or to oblige the seller to replace the goods within 5 days from the date of rejection, without prejudice to our entitlement to full compensation for any loss suffered by us.
9. Delivery of less or more than the agreed quantities shall not be accepted.
10. We may request the seller to neutrally package or ship any goods ordered by us or on our instructions. If the seller cannot comply with such request, he shall forthwith notify us thereof in writing. The relevant goods shall not be shipped until we have confirmed to the seller in writing that we agree to non-neutral packaging or shipment thereof. If we do not receive such written notification from the seller, we will assume that the seller will fully and correctly comply with our request. If nevertheless the seller does not package or ship the relevant materials in a neutral manner, we shall be entitled to full compensation for any resulting losses and costs. If any existing business relation of ours should directly

contact the seller as a result of such default by the seller, we shall also be entitled to compensation of EUR 5,000 for each business transaction between such business relation and the seller.

11. If agreed delivery periods are exceeded, we shall be entitled, without further notice of default, without recourse to the courts and without prejudice to any of our further rights, which expressly include our entitlement to offset table damages, to cancel the order to the extent not yet executed without us being liable to pay any damages ourselves.
12. Seller provides us with a valid invoice in the Dutch or English language. This invoice as well as our payment form part of the business transaction. Costs for this are not accepted.
13. Payment shall, in principle, be made within 90 days of receipt of the goods and the invoice unless we raised objections, prior to the due date, to the way in which the order was executed. Payment shall in no way mean a waiver of the right, in accordance with the provisions of Article 12, to reconsider the way in which the order was executed.
14. Without prejudice to the provisions of Articles 10 and 13, we shall be entitled, without recourse to the courts and by mere notice to the seller, to unilaterally dissolve the agreement, to the extent the agreement relates to goods not delivered yet and to goods not delivered timely or properly, if: -
15. The seller fails to fulfil any obligation arising from any agreement that is governed by these purchase conditions or from any further agreement arising there from;
16. The seller is adjudicated bankrupt; has applied for a moratorium on payments; or liquidates his business or transfers it to any third party;
17. All of which without prejudice to our entitlement to full compensation for any loss suffered by us.
18. Force majeure shall only include that which this term includes according to prevailing Dutch law. In particular, force majeure cannot be invoked in the event of non-performance by sellers or suppliers nor in the event of short-lived machine or production failures.
19. The seller warrants that the goods to be delivered as well as the use thereof do not infringe, neither in the Netherlands, nor in the country of destination stated in the order, on any industrial or intellectual property right of a scope of protection expressly covering such goods or such use. The seller commits himself to us and our customers to fully compensate any loss that our customers or we may suffer as a result of such an infringement.
20. All goods provided by us for the purpose of any order, including drawings or other tools, shall remain our property under all circumstances. The seller is obliged to observe absolute secrecy vis-à-vis any third parties in respect of all of our business affairs, in the broadest sense, that come to his knowledge by virtue of any order.
21. The official exchange rate as at the date of payment (see Article 10) shall be used as conversion rate for foreign and Dutch currencies.
22. Dutch law governs our purchase conditions. Only the court in the District Leeuwarden shall have jurisdiction to settle disputes relating to or arising from orders.
23. In performing purchasing acts, we assume that the purchasing and subcontracting practices prevailing in the Netherlands shall be applicable. If practices in the supplier's country are different, we shall be indemnified therefrom unless different practices have been accepted by us in writing.
24. These General Purchase Conditions form an integral part of our GENERAL CONDITIONS, as filed with the Registry of the District Court in Leeuwarden.