

# **General Terms and Conditions of Purchase of the Faber Halbertsma Group**

Dated: 25-november 2011

## **Article 1 - Definitions**

In these General Terms and Conditions of Purchase the terms and phrases set out below have the following meanings:

Client: (the name of the company), the user of these Purchase conditions;

Supplier: the party with which the Client contracts;

Agreement: the written agreements concluded between the Client and the Supplier regarding the supply of Goods, carrying out of orders in accordance with specifications.

Delivery: putting one or more Goods into the Client's possession or under the control respectively and the installation/assembly of these Goods;

Goods: the tangible objects to be supplied;

Purchase conditions: the general terms and conditions herein of the Client;

The Parties: the Client and the Supplier.

## **Article 2 – Scope of Application**

In the event of conflict between these Purchase Conditions and special obligations individually assumed, the latter on the purchase order will prevail. These General Terms and Conditions of Purchase shall apply to any and all requests, offers and orders as regards the delivery of Goods by the Supplier to the Client. The general terms and conditions of the Supplier are hereby specifically rejected. These General Terms and Conditions of Purchase are to be found on [www.ipplogipal.com](http://www.ipplogipal.com)

## **Article 3 – Offers, Agreements and Changes**

All requests for an offer, orders and/or offers made by the Client in any form is without obligation, unless stated otherwise.

The Client requests the Supplier to submit a quotation stating a technical specification, the numbers required, the date and place of delivery for the goods to be supplied by the Supplier to the Client subject to these Purchase Conditions.

The Agreement shall come into effect if the Client places a purchase order with the Supplier, stating these Purchase Conditions to be applicable, and the Supplier has confirmed this purchase order to the Client.

After the Agreement has been concluded, the Supplier is still obliged to implement all the non-fundamental changes desired by the Client. Changes to the Agreement and stipulations deviating from these Purchase Conditions shall only be effective if so agreed in writing between the Parties. If changes lead to a purchase price increase, a change in the purchase price arising therefrom shall be agreed in writing between the Parties. Oral promises by and agreements made with employees of the Client are not binding upon the Supplier unless and to the extent these have been confirmed in writing by the Client.

The Supplier shall timely notify the Client of incomplete or contradictory information found by the Supplier in the purchase order as to not to exceed the specified delivery date. The Client is at any time entitled to change the size and/or the properties of the Goods to be delivered in consultation with the Supplier. Changes shall be agreed in writing. If, in the opinion of the Supplier, a change creates consequences for the agreed fixed price and/or delivery date, he shall require the Client's permission before carrying out the order. The Supplier cannot rely on deviations made earlier in a contractual relationship with the Client.

## **Article 4 – Transfer of Obligations**

The Supplier may transfer an obligation arising from the agreement to a third party only with prior written consent from the Client. Reasonable conditions may be attached to the Client's consent.

In the cases in which the obligations, or part thereof, arising from the Agreement are transferred by the Supplier to a third party, the Supplier is obliged to inform the client about the securities provided for payment of Dutch VAT, income tax and national insurance contributions prescribed by law for employers.

## **Article 5 – Prices and price revision**

Prices stated are exclusive of Dutch VAT and shall include all costs involved in the performance of the Supplier's obligations, including, but not limited to the cost of packing, transport and delivery at the place designated by the Client, and any assembly and instructions costs, unless otherwise agreed.

The prices shall be fixed prices during the term stipulated in the Agreement, unless the Agreement states the circumstances which may lead to price adjustment, and stipulates the manner in which this adjustment takes place. The prices are inclusive of any customs obligations and costs, unless otherwise agreed in the Agreement.

Price-fixing agreements shall be valid for 12 months, unless otherwise agreed in writing.

## **Article 6 – Invoicing and Payment**

Payment of the invoice, inclusive of Dutch VAT, shall be made within 30 days at the end of the month upon receipt of the invoice and after approval of the delivery and the installation/assembly thereof, if any, by the Client, unless otherwise agreed in writing.

The Client shall be entitled to defer payment and to set off any amounts due by the Supplier to the Client against the purchase price payable by him if he discovers a shortcoming in the delivery and the installation/assembly thereof. Payment shall not release the Supplier from any warranty and/or compensation he is liable to pay in accordance with the Agreement or the law, and does not in any way entail relinquishment of rights by the Client.

## **Article 7 – Date of Delivery**

The agreed date of delivery is of the essence. If delivery does not take place in time, the Supplier shall be in default without further notice being required. The Supplier shall promptly notify the Client in writing that there is a risk of failure to meet the delivery date. This does not affect the consequences of this failure pursuant to the Agreement or statutory provisions.

## **Article 8 – Delivery**

Delivery shall be made at the agreed place and on the agreed date, in accordance with the current legislation and other defined specific conditions. The Client is entitled to postpone the delivery. Unless agreed otherwise, delivery shall be made in accordance with delivery conditions DDP (Delivery Duty Paid) [destination place named by the Client], most recent version of the Incoterms rules. As soon as the Supplier is aware or should be aware of the fact, or expect to be unable to deliver the Goods in time, he shall forthwith notify the Client thereof. If the Supplier has failed to do so, a subsequent invocation of exceeding the term – including circumstances beyond his control – cannot be accepted. The Supplier shall also promptly notify the Client of the corrective measures which will be taken by the Supplier at his own expense. If the measures proposed by the Supplier cannot be reasonably considered by the Client as adequate, the Supplier shall carry out the measures subsequently communicated by the Client.

The Supplier shall be held liable for any loss and/or damage sustained by the Client caused by the delay and by late notification of a (probable) delay. If the Goods in whole or in part are not delivered at the agreed date, The Supplier will immediately be in default, and the Client shall be entitled to terminate the Agreement and/or to claim compensation.

This termination will not only include the Goods which are not yet delivered but also the Goods, which were already delivered under the same Agreement if these Goods can no longer be used effectively as a result of failure to deliver the remaining Goods.

If the Agreement is terminated, pursuant to the same Agreement, the Client shall be entitled to return at the risk and expense of the Supplier the Goods which were already delivered but can no longer be used effectively, and to reclaim from the Supplier the payments he might have made for these Goods.

If for any reason the Client is unable to take delivery of the Goods on the agreed date and if these Goods are ready for shipment, the Supplier, if he has storage space available, shall keep the Goods in his custody, secure the Goods and take all reasonable measures to prevent the Goods from deteriorating until these Goods have been delivered to the Client. The Client shall pay the Supplier the storage costs in accordance with the sector-specific customary rate as from the date on which the Goods are ready for shipment, or, if this is a later date, as from the delivery date agreed in the Purchase Agreement.

## **Article 9 – Breach**

If a failure may be attributed to the Supplier, he shall be in default without further notice being required and the Client shall be entitled to be fully compensated for the costs incurred. The statutory commercial interest pursuant to Art. 6:119a of the Dutch Civil Code over sums the Client has paid in advance shall be set off against the invoices to be paid over the default period. In case of a nonattributable failure the obligations of both Parties shall be suspended. Either Party may only rely on nonattributable failures towards the other Party if the Party in question notifies the other party of such invocation in writing as soon as possible, but no later than 5 working days of the occurrence of the nonattributable failure, on submission of the necessary evidence.

If the Supplier states that one or more of his failures to perform are not attributable to him and the Client accepts this statement, the Client shall nevertheless be entitled to terminate the Agreement and to charge the costs incurred.

## **Article 10 – Warranty**

With due observance of the stipulations set out in the purchase order and the technical specification forming part thereof, the Goods to be delivered shall: as regards quantity, specification and quality be in accordance with the specifications stated in the purchase order;

be manufactured of sound materials and be properly constructed, and at least be in conformity with the accepted standards, regulations and quality standards used in the branch of industry where the Supplier carries out his work;

in every respect be in accordance with the specifications, drafts, samples and/or models made available or provided by the Client; deliver any performance (including, but not limited to capacity, efficiency, rate and finish) as specified in the purchase order; be suitable for the purpose made known to the Supplier; comply with all relevant statutory provisions with respect to quality, the environment, health and safety.

If the Client discovers that the Goods delivered fail to meet (wholly or in part) the warranties Provided by the Supplier in accordance with this article, the Supplier shall be in default, unless the latter can prove that the failure cannot be attributed to him.

The Supplier warrants the sound condition of the Goods sold and delivered, and the quality of the material used. The Supplier shall be liable for loss or damage to and by the Goods, unless the loss or damage is the result of a mistake made by the Client when using the goods. If the purchase order does not specify a warranty period, the applicable warranty period shall be twelve months, beginning on the date on which the Goods are put into use.

To meet his liability obligations, the Supplier is obliged to repair the Goods or the faulty parts thereof free of costs within a reasonable period or to replace these Goods or defective parts. To that end the Supplier shall collect the Goods in question and deliver these Goods at a location to be designated by the Client. If the Supplier has replaced or repaired Goods in order to fulfil his obligations, the applicable warranty period shall be twelve months again, beginning on the date on which the repaired or replaced Goods are put into use.

### **Article 11 – Intellectual and Industrial Property Rights**

The Supplier warrants the free and undisturbed use by the Client of the Goods delivered. He shall indemnify the Client against the financial consequences of claims by third parties. The Supplier shall be entitled to use the information provided by the Client, however, solely in connection with the Agreement. This information is and remains the property of the Client.

### **Article 12 – Documentation**

The Supplier is obliged to provide the Client with the relevant documents prior with delivery. The Client has free use of these documents, including copying thereof for his own use. All drawings, models, photographs, other image, sound and information carriers or other devices provided by the Client to the Supplier or made or bought by the Supplier for and on the instruction from and expense of the Client shall remain or become the property of the Client. The Supplier shall make these devices available to the Client in good condition on demand. The Supplier is not allowed to use the devices for any purpose other than preparing the Goods for delivery to the Client. Nor is he allowed to make these devices available to third parties. The Supplier is obliged to take measures to preserve the confidentiality of any and all data, information and all other devices referred to in this article made available by the Client.

### **Article 13 – Liability**

**13.1** The Supplier shall indemnify the Client against any loss and/or damage which may arise for the Client, his employees or for his customers from or as a result of acts, to the extent these are to be considered as a form of breach of contract or of a wrongful act on the part of the Supplier, his employees or of other persons involved in the performance of the Agreement.

The Supplier shall indemnify the Client against all claims by third parties for compensation for loss and/or damage as referred to in the first paragraph herein. If in this respect a third party submits a claim against the Client, the Client shall promptly inform the Supplier thereof and shall send him the relevant information. In all other respects the Client shall refrain from performing any act, unless the Supplier has granted permission to do so or the Supplier fails to avert the claim of the third party.

**13.2** The Client shall be entitled to require the Supplier to take out an insurance covering his risks. The Supplier is obliged to make the insurance certificate available for inspection on the Client's request to that effect.

### **Article 14 – Passing of Risk and of Ownership**

Unless otherwise agreed in writing, the ownership of and the risk in the Goods shall pass to the Client upon delivery, in accordance with art. 8.3 herein. At the very moment materials, such as raw materials, auxiliary materials, and software of the Client have been processed in goods of the Supplier, a new good exists of which the Client is the owner. The risk in the goods shall pass to the Client provided that the requirements set by the Client as regards delivery dates, quality, and prices have been met.

### **Article 15 – Confidentiality and Prohibition on Disclosure**

The Supplier shall maintain confidentiality with respect to the existence, the nature and the content of the Agreement as well as other company information and shall not disclose anything in that respect without the Client's written consent.

In the case of breach of the stipulations in the preceding paragraph, the Supplier shall owe an immediately due and payable penalty of **EUR 10,000.-** for each breach. The amount of the penalty shall be paid forthwith by the Supplier after the breach has been established and communicated to the Client.

## **Article 16 – Inspection**

The Client shall be entitled to inspect the Goods at any time, during the production, processing and storage and after delivery. Upon request the Supplier shall grant the Client or his employees access to the production, processing and storage facilities. If by the Supplier's intervention an inspection as referred to in this article cannot take place at the intended date or if a repeat inspection must be carried out, the ensuing costs incurred by the Client shall be borne by the Supplier.

In the event that the Goods delivered are rejected, the Supplier shall undertake the repair or replacement of these Goods. If the Supplier fails to meet the obligations within the time stipulated in this article, the Client shall be entitled to purchase the necessary Goods from a third party, alternatively, to take his own measures or have third parties take measures at the Supplier's risk and expense. If the Supplier fails to take back the rejected Goods, the Client shall be entitled to return the Goods to the Supplier at the Supplier's expense.

## **Article 17 – Rescission**

Without prejudice to any other rights, the Client may set aside the Agreement, wholly or in part, if any benefit has been or is offered or provided by the Supplier or one of his employees or representatives to a person being part of the Client's company or his employees or representatives. Without further notice of default, the Client shall be entitled to terminate or to set aside the Agreement in the following cases:

**17.1** in the event that the Supplier fails to perform his obligations ensuing from the Agreement or relating thereto or does not perform them properly or in time;

**17.2** if the Supplier has been declared insolvent, applies for a moratorium, is granted a moratorium, or in the event of closing down or winding-up of his company.

If a circumstance referred to in art. 17.2 hereinabove arises, the Supplier will be in default by operation of law and the Client shall be entitled to claim statutory damages. Any and all claims which the Client may have against the Supplier shall become immediately due and payable as a result thereof. In the aforementioned circumstances the Client may decide to have the Goods ordered in whole or in part delivered, manufactured or finished by third parties at the Supplier's risk and expense, after having notified the Supplier in writing.

## **Article 18 – Disputes**

Any disputes which may arise between the Parties, including any disagreement which only one Party considers to be a dispute, shall be resolved by consultation as far as possible. If the Parties fail to reach a solution, the disputes shall be settled exclusively by the competent court in.

## **Article 19 – Applicable law**

These Purchase conditions, and any Agreement in which these Purchase conditions are incorporated are exclusively governed by Dutch law. The applicability of the Vienna Sales Convention is explicitly excluded.

## **Article 20 – The Environment**

The Supplier undertakes to exclusively supply PEFC or FSC-certified wood or end products (certified by the Programme for Endorsement of Forest Certification or Forest Stewardship Council), unless otherwise agreed. All materials used must comply with current safety requirements and may not contain any toxic or hazardous substances, or any substances prohibited in the country where the Goods are produced and sold. In case of non-compliance with the above, the Supplier shall be liable for any claims resulting therefrom.

## **Article 21 – Ethical Responsibility**

The Supplier undertakes to comply with the SA8000 (social accountability) standard. This standard seeks to prevent inhuman working conditions.

## **Article 22 – Code of Conduct**

The Code states that the Supplier is not permitted to offer the Client's employees any gifts or benefits representing anything more than a symbolic value. The Client's employees shall promptly notify their immediate superior if any such gifts or benefits are offered. In the event that the Supplier violates this article, the Client shall be entitled to terminate the Agreement.