

GENERAL TERMS AND CONDITIONS OF PURCHASE OF ALREC (valid as of 25.03.2019)

I GENERAL PART

1 General terms and conditions

- 1.1 These General Terms and Conditions of Purchase by Alrec, hereinafter referred to as "Purchase Conditions", apply to all requests, offers, purchase orders and agreements, whereby Alrec In-Store Communication Group B.V. or affiliated companies, hereinafter referred to as "**Alrec**", source goods and/or services from a third party or provides it with (various) purchase orders, all this in the broadest sense of the word. Goods are defined as tangible objects and proprietary rights.
- 1.2 Alrec's Purchase Conditions shall apply exclusively. Conditions of the Contractor that are contrary to or deviate from our Purchase Conditions are not recognized by us, unless we give our express consent to their applicability in writing. Alrec's Purchase Conditions shall also apply if we accept a delivery without reservations while knowing of conditions of the Contractor that are contrary to or deviate from Alrec's Purchase Conditions.
- 1.3 Our Purchase Conditions shall apply exclusively in relation to natural or legal persons or partnerships having legal capacity that, when concluding the respective supply agreement with Alrec, do so in performance of their business activity.
- 1.4 If any provision of these Purchase Conditions is wholly or partially invalid or void, the remaining provisions will remain in full force. Alrec and the Contractor agree to replace the void or voidable provision with a provision that they would have agreed if they had known the nullity or voidability.
- 1.5 These Purchase Conditions also apply to further or additional agreements, even if they are not expressly referred to, and the resulting obligations between Alrec and the Contractor.
- 1.6 In these Purchase Conditions the following terms are understood:
 - a. **Contractor** - any natural or legal person with whom Alrec has concluded or wishes to conclude an Agreement, or from whom Alrec requests or receives offers for the delivery of goods and/or services.
 - b. **Purchase Order** – the assignment of the Contractor by Alrec with delivery of goods and/or services.
 - c. **Agreement** - the agreement that is concluded between Alrec and the Contractor after the Purchase Order has been issued.

Alrec In-Store Sp. z o.o.

ul. Krzemieniecka 2,
94-030 Łódź, Poland

T + 48 42 680 31 00 E info.pl@alrec.com

alrec.com

NIP 727 24 58 805 / SĄD REJONOWY DLA ŁÓDZI-ŚRÓDMIEŚCIA W ŁÓDZI,
XX WYDZIAŁ GOSPODARCZY KRS 0000013813
KAPITAŁ ZAKŁADOWY 2 836 200,00 PLN

Experts in experience

- d. **Client** - the client of Alrec.
- e. **Framework agreement** - any framework agreement existing between Alrec and the Contractor.
- f. **Payroll taxes** - payroll tax, national insurance premiums, employee insurance premiums and income-related healthcare insurance contribution.

2 Quotations, Purchase Orders and the conclusion, modification and cancellation of Agreements

- 2.1 Requests for quotation do not bind Alrec, but are an invitation for the Contractor to submit an offer to Alrec. By issuing an offer, the Contractor commits to Alrec to deliver goods and/or services for a fixed total value, fixed prices or a variation thereof within the period set for the delivery. Alrec does not compensate any costs associated with the issuance of an offer.
- 2.2 The delivery of goods and/or services to Alrec by the Contractor will be carried out in accordance with:
 - a) the conditions set forth by Alrec in Purchase Orders
 - b) the regulations of Framework agreement
 - c) General Terms and Conditions of Purchase of Alrec
 - d) the applicable statutory provisions.
- 2.3 If the request for quotation or the Purchase Order or the Framework agreement contain obvious contradictions and/or errors and/or omissions, the Contractor is obliged to immediately inform Alrec and to request clarification before commencing the work, failing to which the Contractor loses any right on additional payment or compensation.
- 2.4 An Agreement can be concluded only based on a Purchase Order, which must be first provided by Alrec. If the Contractor commences work without a Purchase Order, it will do so at its own expense and risk.
- 2.5 After concluding the Agreement, Alrec has, as long as the Contractor has not yet started its execution, the right to cancel the Agreement. In that case, Alrec will reimburse the costs demonstrably and inevitably incurred by the Contractor, in so far as these are reasonable and have been reported to Alrec within one month after the cancellation. Further compensation is excluded. The cancellation option mentioned in this paragraph does not affect Alrec's other legal or contractual possibilities for (free of charge) termination or termination of the Agreement.

3 Performance

- 3.1 The performance to be delivered by the Contractor must, in addition to the legal requirements, comply with:

- a. the description and/or the specifications given by Alrec;
 - b. the requirements concerning health, safety and environment agreed with Alrec;
 - c. the requirements and craftsmanship that apply to the relevant branch of industry in question;
 - d. the timetable and/or implementation schedule agreed with Alrec or (tacitly) approved;
 - e. the requirement that raw materials and components to be used comply with the agreed quality and that tools and equipment used during the execution meet the most stringent requirements;
 - f. the requirement that the staff to be engaged by the Contractor are suitable for their task;
 - g. the requirement that the performance includes all applications for permits that are necessary for the execution of the Agreement;
 - h. the requirement that drawings and other preparatory work and/or development work are carried out for the performance of the Agreement.
- 3.2 The Contractor may not make (direct) offers or provide quotations to Clients of Alrec. This applies both to expansion and to changes in the work assigned by Client to Alrec.

4 Changes, additional work, less work

- 4.1 Alrec may at any time require a change to be made to the scope and quality of services to be performed and/or the goods to be supplied.
- 4.2 Without prejudice to the provisions elsewhere in this article, the change is only eligible for reimbursement if:
- a. the Contractor has pointed out in writing and in time the necessity of a price increase as a result of the change desired by Alrec; and
 - b. if the Contractor has indicated in writing on time the amount of the extra costs to be expected; and
 - c. if after consulting the information under (a) and (b) Alrec has issued a written Purchase Order for the additional work; and
 - d. if Alrec has approved the additional work to be carried out; and
 - e. if and insofar as the invoiced amount for additional work does not exceed the amount referred to in (b).
- 4.3 A change in the nature and scope of the performance that affects the agreed price and terms of the performance shall not affect the other provisions of the Agreement.

5 Price

- 5.1 The agreed price is fixed and binding. The price can therefore never be increased due to changes in exchange rates, purchase prices, freight rates, import or export duties, excise duties, levies, taxes, raw materials or semi-finished products, wages and other services owed by the Contractor to third parties.
- 5.2 Unless otherwise agreed, the price includes:
- a. import duties, excise duties, levies and taxes (with the exception of turnover tax);

- b. fees and all other charges or costs incurred when applying for permits;
- c. fees related to use of intellectual and industrial property rights;
- d. all costs related to or arising from the performance of the agreed work;
- e. the costs of packaging, transport, storage, insurance, installation and commissioning on site. This also applies to the goods made available to the Contractor by Alrec;
- f. all other costs incurred by the Contractor resulting from these Purchase Conditions at the expense of the Contractor;
- g. everything that is necessary for the proper performance of the Agreement, considering the applicable standards, regulations and the requirements of good workmanship, even if this is not expressly mentioned in the Agreement.

6 Invoicing and payment

- 6.1 Unless otherwise agreed, invoices must be submitted electronically to Alrec.
- 6.2 If the invoice complies with the requirements set by Alrec under the Agreement or these Purchase Conditions, and unless otherwise agreed in writing, Alrec will pay the invoiced amount within sixty days as of the date of the invoice. Approval of an invoice or payment thereof does not constitute acceptance of the Contractor's performance and does not release the Contractor from any obligation to Alrec.
- 6.3 Alrec may deduct amounts from amounts that Alrec can claim from the Contractor. This also applies to amounts that the Contractor owes to the affiliates of Alrec. The Contractor may not deduct any amounts from amounts due to him by Alrec without prior written consent of Alrec.
- 6.4 In the event of an advance payment, Alrec may demand a bank guarantee, issued at the cost of the Contractor, that is acceptable to Alrec.
- 6.5 Invoices must comply with applicable tax laws. The Contractor must clearly and legibly state the below listed details on dated and numbered invoices. If these are missing, any payment obligation from Alrec may be suspended until correction is made by the Contractor:
 - a. registered name and address of Alrec and that of the Contractor;
 - b. Purchase Order number;
 - c. description of delivered goods, quantity, unit of measure;
 - d. description of service, period and place(s) of performance, to which the invoice relates;
 - e. instalment number, in case several equal payments were agreed;
 - f. VAT identification number under which the Contractor has performed the delivery or service;
 - g. place of delivery and terms according to Incoterms 2010 (delivery of goods)
 - h. in case of goods imported from non-EU country, the EU import tariff codes.
 - i. wage tax number of the Contractor;
 - j. mention of 'VAT shifted', if the 'VAT reverse charge' applies to the Agreement and the EU VAT identification number of Alrec;
 - k. applied rate and amount of sales tax to be paid;
 - l. bank account and SWIFT/IBAN numbers;
- 6.6 If Alrec owes interest to Contractor, the interest due by Alrec shall be increased singly and equal to the Euro Interbank Offered Rate (Euribor) by a surcharge of 50 basis points. This concerns

the one-month percentage that is valid on the due date of the invoice. Interest on interest is not reimbursed.

- 6.7 Exceeding a payment term by Alrec, or non-payment by Alrec of an invoice on the grounds of the suspected incorrect content of that invoice or of the defectiveness of the invoiced services does not give the Contractor the right to suspend or terminate his performance.

7 Information obligation, control

- 7.1 The Contractor must inform Alrec immediately in writing of any circumstance, which may affect or prevent the fulfillment of the Agreement.
- 7.2 Alrec has the right, but is not obliged, to check the manner of execution of the Agreement.

8 Warranty

- 8.1 Defects in delivered goods and/or in services provided that have arisen before the expiration of the warranty period, must be immediately repaired by the Contractor. Unless the Contractor proves that the defects were caused by incorrect use, the goods in which the defect manifests itself must be replaced or repaired at Alrec's discretion. In case of activities in which the defect manifested itself, the service must be carried out again at the Contractor's expense. If within the statutory warranty period the goods delivered or the result of the service carried out are completely or partially destroyed or prove to be unsuitable for the purpose for which they were intended, this will be regarded, unless proven otherwise, as the result of a defect.
- 8.2 In the event a defect is found, the goods, parts of goods or the results of services provided to which the defect has manifested itself, remain at the disposal of Alrec until the cause of the defect has been determined. They are preserved and stored in a manner and place determined by Alrec. If they are destroyed before the cause of the defect can be determined, this is at the expense and risk of the Contractor.
- 8.3 If the Contractor is in default, Alrec has the right, in urgent cases or if the Contractor is unavailable, without a reminder being required, to the replacement or repair at the expense of the Contractor. Whether there is urgency or unavailability is solely at the discretion of Alrec.
- 8.4 As soon as the replacement or repair is completed and accepted by Alrec, a new warranty period starts for that replacement or repair, which is equal to the original warranty period.
- 8.5 The warranty period commences at the moment that the goods are delivered and/or the services are provided. If goods are intended to be processed by Alrec in installations or systems, the warranty period commences upon delivery by Alrec of those installations or systems of which they form part.
- 8.6 Without prejudice to the provisions elsewhere in this article, the Contractor will at all times provide at least the same warranty with respect to the goods and/or services provided by it, which Alrec must provide towards Client. However, the warranty period is in all cases at least two years. The warranty provided by the Contractor is without prejudice to the legal rights of Alrec due to non-conformity and/or hidden defects.

9 Shortcoming, dissolution, suspension

- 9.1 In the event of (imminent) unlawful action or (threatening) shortcoming in the performance of the obligations of the Contractor, Alrec is entitled to terminate the Agreement unilaterally in whole or in part without any notice of default or judicial intervention by means of a written notification to the Contractor and or to suspend payment obligations and/or entrust performance of the Agreement to third parties in whole or in part, without Alrec being obliged to pay any compensation, without prejudice to any further rights accruing to Alrec, including Alrec's right to full compensation. In the event that the assignment is provided to a third party, the Contractor will immediately provide full cooperation, which in the given circumstances can reasonably be expected of him.
- 9.2 In the event of (imminent) unlawful action or (threatening) shortcoming in the performance of the obligations of the Contractor, Alrec may, without being liable to pay damages to the Contractor, suspend performance of the Agreement in whole or in part and/or require the Contractor to perform the execution of the Agreement to the extent to be determined by Alrec.
- 9.3 Apart from the cases as referred to in clause 10.2, Alrec may suspend performance of the Agreement, if it has a legitimate interest, in whole or in part and/or require the Contractor to suspend performing the Agreement for the duration determined by Alrec. Alrec will compensate the damage, insofar as it consists of the direct costs demonstrably incurred by the Contractor, insofar as these are reasonable. This does not apply in case of Force Majeure on the side of Alrec.
- 9.4 The Contractor is obliged to limit the damage resulting from the suspension or interruption as much as possible by taking appropriate measures.

10 Termination of the Agreement

- 10.1 Notwithstanding what has been stipulated elsewhere in connection with (interim) termination and without prejudice to its statutory powers with respect to termination of the Agreement and/or Framework agreement, Alrec may immediately terminate the Agreement and/or Framework agreement (without further notice of default) in or out of court in the following cases:
- a. if the Contractor or the person who has given security for the Contractor, applies for a provisional suspension of payment. The same applies if the Contractor is declared bankrupt, voluntarily or involuntarily enters into liquidation, ceases business activities, passes a decision to discontinue business activities in connection with liquidation or applies for bankruptcy or suspension of payments;
 - b. if the Contractor becomes insolvent or has a receiver appointed over any of its assets or property or winding up proceedings are issued against it (other than voluntarily for amalgamation or reconstruction) or an encumbrance takes possession of any of its assets or property.

11 Intellectual and industrial property rights, rights to drawings

- 11.1 The Contractor guarantees that the performance and normal use of the delivered services in the broadest sense will not infringe any patent, copyright, trademark or other absolute right of any third party. The Contractor fully indemnifies Alrec against all claims from third parties and the costs of defense against it.
- 11.2 All drawings, specifications, supplies, calculations and other documents or other data carriers and software (including copies) produced or used by Alrec and/or the Contractor, with relation to and as a result of the performance of the Agreement, are or become the property of Alrec at the moment of their creation, unless otherwise agreed in writing. They are immediately individualized and provided with clear distinguishing marks and/or are provided free of charge to Alrec on first request. The Contractor guarantees that goods used or delivered by it within the framework of the Agreement do not infringe intellectual property rights of third parties. The Contractor indemnifies Alrec against all claims from third parties that are based on any (alleged) infringement of such rights and fees, and the costs of defense against it.
- 11.3 If the transfer referred to in 12.2 is not (yet) possible under the law, the Contractor grants Alrec a worldwide, exclusive and non-cancelable license with the right to sublicense rights to any intellectual property rights relating to the goods manufactured by the Contractor. The fee for this license is included in the Purchase Order price. If desired, Alrec can register the license in the appropriate registers, whereby the Contractor will provide the necessary cooperation. If, for the transfer of intellectual property rights, as referred to in paragraph 12.2 or the granting of a license as referred to in this paragraph, a deed proves necessary or desirable, the Contractor shall grant its cooperation to such an act without reservation.
- 11.4 The Contractor will immediately inform Alrec if third parties are infringing or threatening to the intellectual property rights of Alrec.
- 11.5 The Contractor must return all items and documents mentioned in the first sentence of paragraph 12.2 to Alrec at the first request of Alrec completely free of charge and sorted by order within two weeks of receipt of the request.

12 Confidentiality

- 12.1 The Contractor shall keep the existence of and the content of the request for quotation, offers and/or Agreement secret, treat it confidentially, not make it public and use it exclusively for the execution of the Purchase Order(s) of Alrec. The same applies to all know-how, data, information, drawings and similar that are provided to the Contractor in whatever form or are produced by the Contractor in the course of the performance of the Agreement. The Contractor undertakes to bind in writing the third parties involved in the performance of the Agreement to the same confidentiality and has them signed the confidentiality statements submitted by Alrec. All information mentioned in this article must be returned to Alrec completely and free of charge on first request.
- 12.2 The Contractor is not permitted to give any form of publicity to the performance of the Agreement without prior written permission from Alrec. The same applies to know-how, data,

information, drawings and similar in any form whatsoever. None of this may be used (or have been) copied for any other purpose than the execution of the Purchase Order(s) of Alrec, or to maintain direct or indirect contact with the client(s) of Alrec.

- 12.3 The Contractor must not use Alrec's name or make any reference to the cooperation, performance of the Agreement for any promotional or publicity purposes, in particular on websites, in commercial documents, publications, presentations, leaflets etc., without the prior written consent of Alrec.

13 Waiver of rights

- 13.1 A delay or negligence to claim strict observance of contractual or beyond contractual obligations or to exercise any right does not influence the possibility of Alrec to exercise its rights. A waiver of rights by Alrec can only be made expressly and in writing.
- 13.2 Any approval, acceptance or permission granted by Alrec, as referred to in these Purchase Conditions, shall never waive any right and shall not release the Contractor from its obligations under the Agreement.

14 Liability and compensation

- 14.1 The Contractor shall be liable for and indemnify Alrec against any claim for damages resulting from the non-fulfillment, late or improper performance of the Agreement by the Contractor or the breach by the Contractor of any other contractual or non-contractual obligation towards Alrec or third parties. For the purposes of this article, third parties also include Alrec employees or third parties engaged by Alrec, directly or indirectly, or their employees. Alrec's records serve as full proof of the damage suffered by it, subject to counter-evidence by the Contractor.
- 14.2 Alrec is entitled, but is not obliged to do so, to demand compensation and/or to have all the damage attributable to the Contractor be compensated and/or repaired and/or remedied at the expense and risk of the Contractor. The costs thereof, possibly increased by litigation costs and costs of legal assistance incurred or paid by Alrec, will then be reimbursed to Alrec by the Contractor without delay and can then be deducted by Alrec from the Purchase Order price or settled with amounts due to the Contractor.
- 14.3 If Alrec imputably fails to comply with the Agreement and/or acts unlawfully towards the Contractor or on other grounds is obliged to compensate the Contractor, Alrec is only liable for compensation of the damage suffered and/or to be suffered by the injured party with due observance of what is elsewhere determined in this article.
- 14.4 Alrec will not be liable for any indirect damage incurred by the Contractor. This in any case includes loss of profit and missed savings.
- 14.5 The Contractor can only claim reimbursement of its damage in attributable shortcomings and/or unlawful actions by Alrec if the Contractor has given Alrec written notice of default and Alrec

has not proceeded within the set period to correctly perform and/or resolve the unlawful situation.

- 14.6 Complaints about defects in services delivered by Alrec, on pain of forfeiture of losing rights, must be reported to Alrec in writing by the Contractor within two months after the relevant defect has been discovered or could reasonably have been discovered.

15 Transfer, third parties

- 15.1 Without the written permission of Alrec, the Contractor cannot transfer or pledge ownership of the Agreement, any part thereof or rights or claims under the Agreement to third parties. With this provision, property law effect as referred to in art. 3:83 paragraph 2 Dutch Civil Code, is intended. Alrec will not withhold its consent on unreasonable grounds and may attach conditions to this permission.
- 15.2 The Contractor represents subcontractors and/or third parties engaged as if their actions were its own actions or omissions. The Contractor guarantees that subcontractors and third parties comply with these Purchase Conditions, and with all other provisions and provisions of the service that have been declared applicable by Alrec. The Contractor guarantees that Alrec can also exercise its powers towards such subcontractors and third parties.
- 15.3 None of the provisions in Purchase Conditions can be considered to have been agreed in favor of third parties, unless explicitly stated otherwise.

16 Insurance

- 16.1 Contractor is obliged to secure an adequate insurance policy with a minimum coverage of Euro 2'000'000 per event and Euro 5'000'000 per year, and a maximum deductible of Euro 2'500 to cover its liability and to pay the premium at all times, in the absence of which Alrec is entitled to terminate the Agreement without prejudice to the other rights of Alrec, including the right to acquire the relevant insurance itself and to recover the associated costs from the Contractor.
- 16.2 Alrec is entitled to demand that Alrec is listed in the Contractor's insurance as co-insured, principal and beneficiary under the simultaneous waiver by insurers of the right of recourse. At the request of Alrec, the Contractor is obliged to submit a copy of the insurance policy(s) and proof that the insurance fees have been paid.
- 16.3 The provisions of this article elsewhere do not affect the right of Alrec to impose further requirements towards the Contractor with regard to insurance, if justified by its legitimate interests.

17 Fair business, anti-bribery and anti-money laundering

- 17.1 The Contractor shall conduct its business activities in a fair, ethical and lawful manner, in accordance with generally accepted codes of conduct, and shall avoid unacceptable activities,

including acceptance of or resignation in extortion, bribery, use of child labor, violation of human rights or imposition of unreasonable working conditions.

- 17.2 The Contractor acknowledges that it is aware of and will comply with the anti-bribery and anti-money laundering legislation in all countries where it is established, and in which it does business, and that it has implemented internal policy rules in this respect. The Contractor confirms that it will not perform or allow any actions that would lead to Alrec violating applicable anti-bribery or anti-money laundering regulations.
- 17.3 The Contractor guarantees to Alrec that neither the Contractor nor its employees, agents, representatives, affiliates and persons who are employed by or acting on behalf of the Contractor have committed bribery or attempted bribery prior to the date of the Agreement (for example by making an offer of any form of payment, gift or other form of incentive, inducement, reward or benefit, either in the form of money or in the form of value matters) to Alrec or its employees, agents, representatives, affiliated companies or persons employed by or acting on behalf of Alrec, public or government officials or government employees, public international organizations, political parties, individuals or other entities, with a view of securing and/or obtaining or maintaining business transactions with Alrec, in accordance with the Agreement or otherwise.
- 17.4 The Contractor guarantees that as a result of performance of the Agreement the Contractor will not violate any treaty or legal provision in the field of customs control, prohibitions or restrictions or in the field of international sanctions in this respect and declares that the company conducted by the Contractor shall at all times comply with the provisions of this Agreement.
- 17.5 The Contractor indemnifies Alrec against all claims, costs, expenses, damages, demands and losses (including direct, indirect or consequential damages), incurred or made by Alrec, arising from or related to a violation of this article by the Contractor, regardless of whether the Agreement has been terminated.

18 Applicable law, competent court

- 18.1 Dutch law is applicable to these Purchase Conditions, as well as to the Agreement(s) concluded with the Contractor. The applicability of the Vienna Sales Convention 1980 (CISG) is excluded.
- 18.2 All disputes, including disputes that are regarded as such by only one of the parties, that may arise as a result of the Agreement or any Agreements between the parties resulting from the Agreement shall be primarily judged by the competent civil court in Amsterdam, the Netherlands or, at the option of Alrec, by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. If there is a dispute, Alrec expresses its preference within four weeks of a request from the Contractor.

II SPECIAL PROVISIONS CONCERNING THE DELIVERY OF GOODS

In addition to the General Part (I), this chapter (II) also applies to the delivery of goods.

19 Quality and description of the goods to be delivered

19.1 The goods to be delivered must:

- a. in terms of quality, specification, quantity, delivery date, be in accordance with what is stated in the Agreement and/or Purchase Order;
- b. comply in all respects with the specifications agreed with Alrec or declared as applicable;
- c. be accompanied by the necessary instructions to Alrec or its staff so that they can use the goods independently;
- d. be made of sound, new materials and properly constructed;
- e. be suitable for the purpose for which they are intended;
- f. have been manufactured from components and raw materials whose origin is traceable;
- g. contain no asbestos and other hazardous substances non-compliant with EU directives e.g. RoHS;
- h. be accompanied by the necessary documents, such as packing lists, (guarantee or quality) certificates, declarations, drawings, instruction manuals, spare parts lists and maintenance instructions;
- i. be in terms of design, composition and quality in all respects comply with all applicable legal requirements, regulations and European directives such as CE, RoHS, REACH and EMC marking;
- j. be provided with a type, series and device number and an indication of the country of origin by means of an adequate mark from the manufacturer or importer. If this is not possible, the packaging of the delivery will be provided with such signs;
- k. be accompanied by invoices in duplicate to Alrec, which, in addition to date, invoice number and Purchase Order number, also state the name of the manufacturer and importer, as well as the type, serial and device number.

20 Delivery terms

- 20.1 Unless otherwise agreed in writing, delivery of goods shall be effected as Delivery At Place (DAP) at the location designated by Alrec, as referred to Incoterms 2010 or later, applicable at the time of issuing the Purchase Order.
- 20.2 The Contractor shall be obliged to indicate the number of Purchase Order, on all shipping documents and delivery notes. If the Contractor fails to comply with this obligation, it must prove that it is not responsible for the consequences of such non-compliance.
- 20.3 Contractor shall be obliged to inform Alrec timely, adequately and in writing about expected delay in execution of Agreement.
- 20.4 In case of partial deliveries, prior written permission from Alrec is required. Contractor is obliged, if Alrec so wishes, to give a written production or execution plan and/or to cooperate with the progress check. The delivery will only be deemed to have been completed if the Purchase Order as a whole - in accordance with the requirements laid down in the Agreement - has been delivered to the place designated by Alrec.
- 20.5 The statutory claims arising from a delay in delivery, as well as any further claims for damages, shall not be affected by the provision of 21.5 and 21.6.

21 Inspection and testing

- 21.1 Alrec has the right to inspect and control the production or assembly of the agreed delivery at any time. Alrec also has the right to inspect or test semi- or finished-products before the time of delivery. Inspection or testing does not mean that the Contractor no longer has to give a guarantee or is no longer liable. The other obligations arising from the Agreement will also continue to apply.
- 21.2 If the delivered goods are rejected, Alrec will inform the Contractor immediately. The Contractor will then - at the option of Alrec - immediately repair or replace the delivered goods.

22 Packaging, transport, storage, installation

- 22.1 The Contractor is responsible for ensuring that the goods delivered do not cause hazard to the environment.
- 22.2 The costs of packaging, transport, storage, insurance and installation of goods, including the goods made available by Alrec, are at the expense of the Contractor, unless otherwise agreed with Alrec.
- 22.3 If the goods are ready for delivery, but Alrec is not reasonably able to receive them at the agreed time, the Contractor will keep the delivery separate and recognizable for Alrec. The contractor must secure the delivery and take all necessary measures to prevent quality reduction until the goods have been delivered. Alrec will reimburse the costs reasonably and demonstrably incurred by the Contractor.

23 Transfer of ownership and risk

- 23.1 The ownership and risk of the goods to be delivered only transfers from the Contractor to Alrec on delivery, in accordance to the agreed delivery terms based on Incoterms 2010. If Alrec makes down payments, ownership of the goods will pass at the time of manufacture. Contractor will individualize the goods by unique characteristics as goods of Alrec. The Contractor guarantees that the complete and unencumbered property will be transferred.
- 23.2 Goods that have been issued by Alrec to the Contractor for repair, modification or processing are at the risk of the Contractor during this repair, modification or processing period. Contractor waives his right of retention over these goods in favor of Alrec.

24 Liability and indemnification by the Contractor

- 24.1 The Contractor is liable for compensation of all costs and damages - including bodily injury and financial loss - caused by a defect in the delivered goods and/or the tools or materials used in manufacturing. This also applies if the damage or costs are caused by any careless action by the

Contractor, his employees or third parties who have been engaged in the execution of the Agreement.

- 24.2 The Contractor must fully indemnify Alrec and/or Client from the liability referred to in clause 24.1.

I. PROVISIONS FOR DELIVERY OF SERVICES, EXECUTION OF PURCHASE ORDERS AND ACCEPTANCE

Besides the General Part (I), chapter III regulates the provision of services, execution of Purchase Orders and acceptance of work.

25 Data provision

- 25.1 The Contractor shall provide Alrec, prior to the Agreement and during the execution thereof, with:
- a. a current extract from the register of the Chamber of Commerce, court register or other official register relevant to the country of the Contractor - not older than six months;
 - b. a photocopy of the guarantee account agreement (G-rekening overeenkomst) – relevant only in case of projects executed in the Netherlands;
 - c. a statement regarding payment behavior 'Payroll taxes' (premiums for employee insurance, national insurance contributions, income-related healthcare insurance contribution and payroll tax) from the tax authorities - not older than three months;
 - d. other tax, insurance and other documents, to the decision of which Alrec may have a reasonable interest.

26 Implementation schedule

- 26.1 At the request of Alrec, the Contractor must provide an implementation schedule. This includes the time of starting and completion of the successive parts of the work and staff list. The implementation schedule forms part of the Agreement after approval by Alrec.
- 26.2 Alrec has the right to request changes to the implementation schedule during the execution. The consequences of changes will be arranged by Alrec and the Contractor in all reasonableness. If necessary, the Agreement will be amended accordingly.
- 26.3 The Contractor must periodically report, upon Alrec's request, on the progress of the work and all related aspects.

27 Personnel Contractor

- 27.1 The Contractor is obliged to notify the list of its employees to Alrec that will be engaged at Alrec and Client work sites. Required data are: name, number and nature of identification.
- 27.2 The Contractor is responsible for the daily management and supervision of the execution of work. The number of authorized and skilled supervisors that the Contractor makes available for this must be in accordance with the scope and nature of the activities and the requirements set by Alrec. Supervisors should speak English and/or Dutch language, unless otherwise agreed.
- 27.3 The Contractor guarantees that the services to be provided by its employees are carried out professionally and without interruptions. The employees meet and continue to meet the agreed qualities regarding training, expertise and experience.
- 27.4 The Contractor provides employees with hand tools and personal protective equipment.
- 27.5 If the Contractor's employees do not have the necessary qualifications or expertise, the Contractor must at first advise Alrec about the replacement of employees with other employees who do meet the set requirements. The same applies to employees who do not comply with the applicable regulations or who misbehave otherwise. No costs can be charged to Alrec for the replacement of employees.
- 27.6 The work will be carried out in accordance with the agreed working hours and code of conduct applicable at Alrec at that time. The contractor must instruct employees to comply with this.
- 27.7 Extra costs that arise because work has to be done outside normal working hours in order to be able to meet the date of completion stated in the Agreement, will be at the expense of the Contractor, unless otherwise agreed in writing.

28 Health, safety, well-being and the environment

- 28.1 The Contractor is responsible for protecting health and safety, ensuring well-being of employees and environment protection at work. The Contractor must comply with all applicable statutory regulations, standards and locally applicable health and safety and environmental regulations.
- 28.2 The materials, equipment and tools used by the Contractor must at least comply with the statutory requirements and be in a perfect condition. This is also at the discretion of Alrec and is subject to the rules of Alrec and/or Client.
- 28.3 Employees who, in the opinion of Alrec, behave unsafe at work, must be removed from the work at the first request. The Contractor must ensure that these employees are replaced immediately, without any costs being charged to Alrec.
- 28.4 Alrec has the right, in the event of an unsafe situation caused by the Contractor, to cease the work. In addition, Alrec is not obliged to pay compensation and in case of such delay there is no question of force majeure on the part of the Contractor.

29 Intervening in the work

- 29.1 The agreed deadlines with respect to (parts of) the services to be performed by the Contractor are binding and final, which means that the Contractor is in default if it is exceeded without notice of default.
- 29.2 If, in Alrec's opinion, the work proceeds in such a way that the specified period for the completion of the performance, or a part thereof, is exceeded, Alrec will inform the Contractor in writing. The same applies if, in the opinion of Alrec, the work is not carried out in accordance with the provisions of the Agreement and/or according to the requirements of good workmanship.
- 29.3 Having received the notification as referred to in clause 30.1, the Contractor must take measures as a result of which, in the opinion of Alrec, the backlog will be cleared and the aforementioned provisions and requirements will be met. If this does not happen, Alrec may, without judicial intervention, take all necessary measures according to its own judgment. For example, Alrec, or third parties acting on its behalf, can take over the activities of the Contractor. In that case, the Contractor will provide Alrec and those third parties with all necessary cooperation.
- 29.4 All external and internal costs, which Alrec will have to incur in connection with the provisions in paragraph 3, will be transferred to the Contractor. The Contractor will immediately compensate Alrec for the costs, including a fee for supervision and overhead costs.
- 29.5 Even outside the circumstances referred to in clause 30.1, Alrec may immediately intervene in the work, if this is necessary in view of operating conditions, safety and/or statutory regulations. This does not relieve the Contractor from its liability. Alrec will always report such an intervention to the Contractor as soon as possible.

30 Delivery, acceptance, risk

- 30.1 Unless stipulated otherwise in the Agreement, it is assumed that the delivery of service or acceptance has taken place if Alrec has accepted it in writing. Acceptance is without prejudice to Alrec's rights under the Agreement.

31 Transfer of rights and obligations and subcontracting

- 31.1 Without Alrec's written permission the Contractor may not assign transfer, novate or pledge the ownership of the Agreement, any part of it, or any rights or claims under the Agreement, under any title whatsoever. Without Alrec's permission the Contractor also may not have any work performed by third parties.
- 31.2 Without Alrec's written permission the Contractor may not:
 - a. subcontract the Agreement or any part of it;
 - b. engage third parties to do so.
- 31.3 Any part of an Agreement in which subcontracting or the engagement of third parties is specifically mentioned will constitute an exception to this rule. Third parties include self-employed persons with no staff, managing directors and majority shareholders, subcontractors

and temporary employment agencies. If Alrec has given written permission, the Contractor will include the same risk-reducing measures in its agreement with the third party or third parties in question, as included in the Purchase Conditions and the contract for the provision of services with Alrec.

- 31.4 Without Alrec's written permission the Contractor will not hire in personnel from third parties.
- 31.5 The granting of the permission referred to in subsections 1, 2, 3 and 4 will not mean that any obligations ensuing from this agreement has lapsed.

32 Sequential Liability Act

- 32.1 The Contractor must comply with the legal obligations to pay the wage taxes of its employees.
- 32.2 The Contractor indemnifies Alrec against any claim from the Tax Authorities for Payroll Taxes due to its employees. This also includes interest rates, fines and costs of legal assistance to manage any liability claim.
- 32.3 Without prejudice to paragraphs 1 and 2, the Contractor must keep records to ensure that the wage sum can be determined per project. Alrec always has the right to access those records. The Contractor will state the actual wage costs on each invoice.

33 Dutch Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act (Sequential Liability Act or Wet ketenaansprakelijkheid)

- 33.1 These articles 33.1-33.9 apply only to Contractors registered in the Netherlands.
- 33.2 The Contractor must comply with the statutory obligations to remit statutory payroll tax in respect of its employees as described in paragraph 25.1(c).
- 33.3 The Contractor indemnifies Alrec in respect of any claims brought by the Dutch Tax Authorities in respect of statutory payroll tax due for its employees. This includes any interest, penalties and costs, as well as costs related to legal assistance to oppose a possible claim.
- 33.4 Without prejudice to the provisions contained in paragraph 2 and 3, the Contractor must maintain such adequate accounting records that for each project the wage component can be determined. Alrec will be entitled to inspect those accounting records at any time. The Contractor will indicate the actual wage costs in each invoice.
- 33.5 Alrec may pay the Contractor the statutory payroll tax related to the work, for which it is jointly and severally liable on the ground of the Wages and Salaries Tax and Social Security Contributions Act (Liability of Subcontractors), by transferring the relevant amount to its guarantee account within the meaning of the Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act (de "G-rekening"). Alrec may also transfer the statutory payroll tax directly to the Tax Authorities, in which case Alrec will no longer have any obligation to pay the statutory payroll tax to the Contractor.

- 33.6 Unless the parties have agreed otherwise Alrec will directly transfer an applicable percentage of the wage component – and 50% if that percentage is unknown – for the statutory payroll tax to the relevant account of the Tax Authorities or to the Contractor’s guarantee account.
- 33.7 Alrec may change that percentage if it appears that the agreed percentage is not in accordance with the statutory payroll tax that the Contractor owes.
- 33.8 A direct transfer or transfer to the guarantee account will be deemed to be a payment constituting a valid discharge.
- 33.9 If the VAT reverse charge rule applies in respect of the agreement, the Contractor will indicate that fact in each invoice.