

GENERAL PURCHASING CONDITIONS

GENERAL PROVISIONS

1. Definitions

The following definitions shall apply in these General Purchase Conditions:

a) **Agreement**

Every agreement concluded by and between PMF and the Supplier, any amendment or addition thereto, as well as all (legal) acts for the preparation or the performance of said agreement;

b) **Deliverable/Deliverables**

The Products, Installations, services and/or activities offered by the Supplier;

c) **Employee**

Any person, irrespective of whether under an employer-employee relationship, who works for the Supplier and is used by the Supplier for the performance of the Agreement;

d) **Installation**

the siting, installation and/or connection of a Product or a composition of Products and the preparation of said Product or composition of Products to operate in accordance with the Specifications;

e) **Order**

Every order placed by PMF with the Supplier to provide a Deliverable;

f) **Products**

The products offered by the Supplier, including software, and user's rights to said products;

g) **Proposal**

Every verbal/written proposal of Work, prices and/or terms; verbal proposals must be confirmed in writing as promptly as possible;

h) **Specifications**

The (technical) specifications and/or descriptions of the Deliverable, as stipulated in the Order and/or Agreement or in the documents referred to in the Order and/or Agreement, or other documents signed by the parties;

i) **Subcontractor**

Every natural or legal person, with whom the Supplier enters into a legal relationship for the performance of the Order and/or Agreement, whereby said natural or legal person is assumed to perform a part or all of the Order and/or Agreement;

j) **Supplier**

Every natural or legal person who concludes an agreement with PMF or who makes a Proposal to PMF or with whom PMF is in any legal relationship, or towards whom PMF executes any act (in law);

k) **PMF**

PMF Industry Group BV and all legal persons and companies affiliated to it;

l) **Work**

All activities, including all requirements and obligations pertaining thereto, that must be carried out by PMF and/or the Supplier under the terms of an Agreement and/or an Agreement that PMF has concluded with its principal.

2. Applicability

- 2.1. These General Purchasing Conditions apply, in some cases supplemented and/or amended by special conditions which are included in the Order and/or Agreement, to all Proposals, all Orders, all Agreements, all legal relationships and all (other) (legal) acts by and between PMF and the Supplier, including negotiation- and other pre-contractual situations.
- 2.2. The Supplier shall definitively and irrevocably waive the application of its own general and/or special conditions (of sale), even if the latter stipulate that they are exclusively applicable.

3. Proposals, Orders and the conclusion of Agreements

- 3.1. Requests for Proposals shall not be binding for PMF and shall apply only as a request to make a Proposal.

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- 3.2. By making a Proposal, the Supplier undertakes to provide the Deliverable to PMF - in the event of an Order - at a price, that being a fixed total price or a transfer price (standard price) within the period stipulated for delivery. The Proposal shall remain valid for a period of at least sixty (60) calendar days. Any costs incurred for making a Proposal shall be borne by the Supplier.
- 3.3. In the event of manifest errors and/or discrepancies between sections of the request for proposal, the Supplier shall confer with PMF prior to making a Proposal, in the absence of which the Supplier may no longer derive any rights from such errors and/or discrepancies.
- 3.4. The Agreement shall be concluded when PMF has accepted in writing the Proposal from the Supplier via an official Order. Should no answer be forthcoming from PMF in response to a Proposal, or if it gives oral acceptance only, this cannot be considered acceptance of the Proposal under any circumstances. The Supplier must, within five (5) working days after receipt, return a signed copy of the Order, otherwise it will be deemed to have accepted the content thereof.
- 3.5. As long as the Supplier has not yet started to perform the Agreement, PMF shall be entitled to cancel said Agreement at all times. In such a case, PMF shall reimburse such reasonable actual costs as incurred by the Supplier. Any form of compensation of any other damages shall be excluded.
- 3.6. If the Supplier starts the Deliverable without having received a prior written Order from PMF, it shall do so for its own account and at its own risk.
- 3.7. To any Agreement the following provisions shall apply, where applicable, and shall be ranked in descending order of priority:
 - The special conditions set out in the Order and/or Agreement;
 - In the event that PMF itself works for a principal, the provisions of the main agreement between the principal and PMF, in so far as applicable to the Deliverable that is the subject of the Agreement;
 - These General Terms and Conditions of Purchase.

4. General obligations of the Supplier

- 4.1. As a specialist, the Supplier acknowledges that it has all the information and capacities/capabilities required to perform the Order in a good, sound and timely fashion as a performance guarantee in accordance with the provisions applicable, legislation and regulations and the general standard applicable.
- 4.2. The Agreement includes, in addition to the Deliverables that are expressly the subject of the Agreement, the Deliverables that are directly or indirectly linked thereto in order to attain the purpose and result sought by the Agreement without PMF being required to pay any additional compensation.
- 4.3. The Deliverables (including products and/or goods) which the Supplier delivers must comply with all legal and contractual provisions on quality and safety. In said case, the Deliverables must bear the appropriate markings and must be accompanied by the appropriate certificates. If and in so far as applicable, the Deliverables must comply with REACH and CLP regulations.
- 4.4. PMF's authorizations, approvals, inspections, audits, payments and/or silence shall not prejudice the Supplier's requirements and/or liability.
- 4.5. The Supplier is required to pay the wages and compensation of Employees and its Subcontractors in a correct and timely fashion.

5. Amendments or additions

- 5.1. Amendments or additions to any provision of an Order and/or Agreement and/or the General Terms and Conditions of Purchase shall be valid only if agreed in writing. Agreed price adjustments shall enter into force only after being accepted explicitly in writing by PMF.
- 5.2. When an amendment or addition as referred to in Article 5.1 is agreed upon, it shall apply only for the Order and/or Agreement concerned.
- 5.3. In the event of manifest errors or discrepancies between sections of the Order and/or Agreement, the Supplier shall confer with PMF prior to executing the Order and/or Agreement, so that it/they can be modified if necessary, failing which the Supplier may no longer derive any rights from such manifest errors and/or discrepancies.

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- 5.4. PMF shall be entitled to ask the Supplier to perform extra or less work. In any such case the Supplier shall, within a period of 5 working days, submit a price quotation for the extra or less work to be performed. Such extra or less work shall be ordered only if the price quotation is expressly accepted by PMF in writing.
- 5.5. Where extra work has to be compensated pursuant to the Order and/or Agreement, the price level used by the Supplier for the calculation of such charge shall not be higher than the price level used in the Order and/or Agreement for the activities relating thereto. Less work shall be credited at all times.
- 5.6. Only if, in PMF's judgement, the price of the extra or less work cannot be reasonably determined in good time because of the nature of said Deliverable, shall, with the written permission of PMF and contrary to the provisions of Article 5.4, the price of completing the said work be determined by mutual consultation by and between the parties.
- 5.7. If, in PMF's judgement, the consequences for the price and/or the time of delivery of the extra or less work are unreasonable by comparison with the change, PMF shall be entitled to cancel the Agreement entirely or partially, unless such cancellation should be unreasonable in view of the circumstances. Cancellation by virtue of this article shall not entitle Supplier to any compensation of any damages.

6. Quality and description of the Deliverable

- 6.1. The Deliverable shall in any event:
 - a. correspond to the description, quantity and quality in the Order;
 - b. correspond in every respect with and meet the Specifications declared to be applicable;
 - c. be accompanied by the necessary instructions to PMF and/or its employees, so as to enable them to use the Deliverable on their own;
 - d. comprise all permits that are necessary for the performance thereof;
 - e. meet all the applicable legal requirements and/or regulations and/or standards and provisions in force concerning the design, composition and quality in every respect.
- 6.2. Supplementary to Article 6.1, if the Deliverable includes Products, the following shall apply:
 - a. The Products shall be made of durable and new materials and of sound construction.
 - b. The Products shall be suitable for the purpose for which they are intended.
 - c. The Products shall be made of components and raw materials of traceable origin.
 - d. The Supplier shall be required to supply to PMF, at the latter's request, (spare) parts and/or components and/or special tools and/or special measuring equipment of the same quality for at least 10 (ten) years after the delivery of the Products concerned.
 - e. The Products shall contain no asbestos or other carcinogenic substances and shall not be in any other way hazardous to human health.
 - f. The necessary documents such as packaging lists, (guarantee or quality) certificates, drawings, manuals, lists of spare parts and maintenance instructions shall be made available at the time that the Deliverable is delivered to PMF. Unless agreed otherwise in writing, such documents shall be drawn up in English.
 - g. The Products shall be provided with a type-, series- and device number and an indication of origin by means of an appropriate identifying mark of the manufacturer or the importer (or if this is not possible, such identifying marks shall be affixed on the packaging of the Products), as well as with a product description, number, price, VAT, delivery date, delivery address, purchase number and invoice number.
 - h. Invoices shall be issued to PMF in one original at the same time as the delivery of the Deliverable and shall, in addition to the date, invoice number and order number, mention the name of the manufacturer or the importer, and the type-, series- and device number.
- 6.3. If it is not reasonably possible for the Supplier to provide the agreed Deliverables, it shall supply replacement Deliverables. The Supplier must demonstrate that the replacement Deliverables are technically at least equivalent to the agreed Deliverables. Furthermore, the price for the replacement Deliverables shall be the same as or lower than the price for the agreed Deliverables.

7. Packaging, transport, storage and installation

- 7.1. The Products must be packaged properly (if applicable, in accordance with the Packaging Agreement in force), must be reliably and ecologically, and secured and transported in such a way that they reach their destination in good condition.

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- 7.2. All costs for the packaging, transport, storage and installation of the Deliverable relating to the Order and/or Agreement and the performance thereof, as well as insurance costs (actual value) for transport, storage and installation, shall be borne by the Supplier.
- 7.3. Deliveries effected as part of the Deliverable shall be made on a DDP basis as described in the Incoterms of the Paris International Chamber of Commerce in force at the time.
- 7.4. If the Deliverable is ready for delivery, but PMF is in all reasonability not capable of taking receipt thereof at the agreed point in time, the Supplier shall keep and secure the Deliverable separately and recognizably intended for PMF, and shall take all such measures as necessary to prevent any deterioration of quality until the Deliverable can be delivered. PMF shall in such a case reimburse the Supplier for reasonable direct costs incurred as a result.

8. Transfer of ownership and risk

- 8.1. The ownership of the Deliverable and of components of the Deliverable, such as materials, plans, models, designs, calculation files and other data carriers, shall be transferred to PMF as they are or become identifiable. If not identifiable, ownership shall be transferred upon delivery.
- 8.2. Receipt of a delivery implies solely approval of the quantities and outward condition of the packaging, and not acceptance of the qualitative characteristics of the Deliverable (or components thereof).
- 8.3. Notwithstanding Article 8.1, PMF shall in the case referred to in Article 7.4 acquire ownership of the Deliverable (or components thereof) when it is stored on behalf of PMF. Stored Deliverable(s) (or components thereof) must be certified and individualized as being the property of PMF.
- 8.4. In all cases, the transfer of risks from the Supplier to PMF take place, unless expressly specified otherwise, upon the qualitative approval and acceptance (delivery) of the Deliverable. When the acceptance (delivery) is dependent on the acceptance (delivery) by a customer of PMF (the principal), then, where appropriate, the transfer of risks from the Supplier to PMF will take place only after acceptance (delivery) by the customer (principal).
- 8.5. The risk for Products delivered by PMF to Supplier for repair, processing or reworking shall be borne by the Supplier during the repair, processing or reworking period, but PMF shall retain the ownership thereof.
- 8.6. If, contrary to the provisions of Article 11, it is agreed that PMF has to make an advance payment pursuant to the Agreement, all materials, raw materials and half-finished products that the Supplier uses - or that are intended - for the performance of the Agreement, as well as Products being processed, shall be delivered, and full and free ownership shall be transferred by the Supplier to PMF upon receipt of the advance payment by the Supplier.

9. Delivery place and time

- 9.1. The Supplier shall deliver the Deliverable at the location and on the date or period indicated in the Order.
- 9.2. The delivery time or the delivery period shall be binding. As soon as the Supplier knows or expects that the Deliverable cannot be delivered in time, it shall inform PMF at once in writing and indicate the reasons for the delay.

10. Price

- 10.1. The agreed price shall be binding and shall at no time be changed because of changes in foreign exchange rates, purchase prices, freight rates, import or export duties, excise duties, levies, taxes, prices of raw materials or semifinished products, wages, and other sums payable by the Supplier to third parties.
- 10.2. The price shall in any event include:
 - a. all costs referred to in Article 7;
 - b. import duties, excise duties, levies and taxes (with the exception of turnover tax);
 - c. legal fees and all other levies or costs for applications for permits needed to provide the Deliverable;
 - d. the costs of the instructions to be given by the Supplier to PMF or its employees;
 - e. the remuneration for the use of intellectual property rights;
 - f. all costs pertaining to or arising out of the provision of the Deliverable;

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g. all other costs which pursuant to or by virtue of the Order and/or Agreement or these General Terms and Conditions of Purchase are to be borne by the Supplier, and all that is necessary for the proper performance of the Order and/or Agreement, in consideration of the standards, regulations and requirements of good practices in force, even though they may not be expressly mentioned.

11. Payment

- 11.1. The Supplier shall not invoice amounts payable earlier than - in accordance with what was agreed -the date of delivery/acceptance/completion of the Deliverable. Upon full and correct performance of the Agreement, PMF shall pay the amount invoiced within sixty (60) days of the date of invoice, once said invoice has been approved.
- 11.2. PMF shall be entitled at all times to offset sums payable to the Supplier with such claims as it has or will have on the Supplier at any time, whether or not due.
- 11.3. Payment of the invoice shall under no circumstances entail recognition of the relevant claim.
- 11.4. Invoices which are sent one year after - in accordance with what was agreed - the delivery/acceptance/completion of the Deliverable will not be accepted. The Supplier's entitlement to payment of such invoices shall lapse after the expiry of said period.
- 11.5. Before payment is made, PMF may require, in addition to or instead of the transfer of ownership, that the Supplier shall provide for an unconditional and irrevocable bank guarantee.
- 11.6. PMF is entitled to suspend its payment obligations if and for as long as the Supplier fails to comply with/complies insufficiently with its contractual obligations and/or PMF's customer (principal) has suspended its contractual obligations, and more specifically as long as the originals of the contractual documentation stipulated in Article 6 has not been submitted.
- 11.7. The Supplier is not permitted to suspend the execution of its obligations in whole or in part for any reason whatsoever.

12. Guarantee

- 12.1. Supplier shall ensure that the Deliverable meets the requirements set in Article 6 in every respect.
- 12.2. If PMF, after accepting the Deliverable, should, within the guarantee period indicated in the Order, inform the Supplier in writing of any defects in the Deliverable, the Supplier shall be required to repair such a defect immediately and totally free of charge, unless it can show that the defect was caused by incorrect or improper use. If in respect of a proper repair as referred to herein, in PMF's reasonable judgement, components of the Deliverable or the Products have to be replaced, the Supplier shall be required to carry out such replacement for its own account.
- 12.3. In case of a defect, PMF shall have the right to return the Deliverable concerned or a part thereof to the Supplier, at the latter's risk and expense, unless it is agreed by the parties that the necessary replacement or repair is to be carried out by the Supplier, if so required by PMF, at the work site concerned.
- 12.4. If the Supplier fails to fulfil its obligations, PMF shall, in emergency cases or when the Supplier cannot be reached, be entitled to have repairs and replacement carried out, without prior notice, at the Supplier's expense.
- 12.5. The guarantee period for a repaired or replaced Deliverable shall recommence at the time that said repaired or replaced Deliverable is accepted by PMF.
- 12.6. If the Order contains no explicit guarantee clause, the Supplier shall ensure that items delivered or service provided shall be compliant with the Order and/or Agreement for at least one (1) year after delivery/acceptance/completion. If the Deliverable is intended to be processed by PMF in installations or systems, the guarantee period shall commence as of delivery by PMF of said installations or systems to a third party (the customer/principal).

13. Liability and indemnification by the Supplier

- 13.1. The Supplier shall fully indemnify all direct and indirect loss/damage suffered by PMF or by third parties as a result of or in connection with the performance of the Agreement (including but not limited to operating loss, environmental loss, damage to materials, equipment and other items, bodily injury, judicial and extrajudicial

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costs), irrespective of whether said loss is caused by the Supplier itself, its Employee or any other (legal) person for whom the Supplier is responsible.

- 13.2. During the performance of the Work, the risk relating to Supplier's property for theft, damage, fire or improper use shall be borne by the Supplier. Said risk shall extend to the personal properties of Employees, other personnel related to the Supplier, or personnel of a third party called upon by the Supplier for the performance of the Work. If the Supplier considers that it has to take out coverage for the aforementioned risks taking into account the provisions of the Construction All Risk (CAR) policy, it shall bear the costs for such coverage. Under no circumstances will PMF be held liable in this respect to the Supplier or to any third parties called upon by the Supplier for the performance of the Work.
- 13.3. The provisions of Article 13.1 shall be considered as a condition within the meaning of Article 6:253 of the Dutch Civil Code. The condition may not be revoked by the Supplier and shall not be asserted against any third party.
- 13.4. The Supplier shall indemnify PMF for and against all claims, demands, rights and legal actions made, asserted or taken by third parties regarding the Agreement or the performance thereof at any time, and shall thereby safeguard PMF fully against them.

14. PMF's liability

- 14.1. PMF shall not be held liable for any loss suffered by the Supplier or its Employees, except in the case of intentional act or gross negligence on the part of PMF or its employees.

15. Suspension

- 15.1. PMF is entitled at all times to suspend the Agreement in full or in part, and to require the Supplier to interrupt the Agreement for a period to be determined by PMF.
- 15.2. The Supplier shall be required to limit the loss/damage arising out of such suspension as much as possible by taking appropriate measures.
- 15.3. Measures that the Supplier has to take regarding such suspension shall be compensated as if they constituted extra or less work, unless the suspension is caused any shortcoming on account of the Supplier or a third party.

16. Force Majeure

- 16.1. The Parties shall not be in default and shall not be entitled to claim compensation towards each other for costs incurred if and insofar as compliance with contractual obligations is delayed, hampered or hindered by force majeure, including but not limited to war or hostilities, riot or civil disturbances, floods or natural disasters, nuclear disasters and other such external calamities, provided they are not attributable to the party concerned. Force majeure shall expressly not include (organized) strikes and work interruptions by workers and default by the Supplier's suppliers and/or other parties used by the Supplier.
- 16.2. The Parties shall inform each other as promptly as possible about a (possible) case of force majeure.
- 16.3. The Parties may suspend the obligations arising out of the Order and/or Agreement during the period of force majeure. If this period should last longer than 3 (three) months, either party shall be entitled – after mutual consultation – to terminate the Order and/or Agreement, without being liable to pay compensation to the other party.

17. Default/termination

- 17.1. Every term set in the Order and/or Agreement within which the Supplier has to fulfil an obligation shall be strictly binding and the Supplier shall be in default if it is exceeded; requests addressed to the Supplier to fulfil such an obligation shall not affect the foregoing stipulation.
- 17.2. PMF shall be empowered to terminate all Agreements immediately (without further notice) in each of the following cases:
 - a. If the Supplier fails to fulfil fully and in time any obligation of an essential nature arising out of the Order and/or Agreement or fails to fulfil fully and in time any other obligation;
 - b. If the Supplier or the party considered as 'guarantee' for the Supplier's obligations, applies for a provisional suspension of payment, is declared bankrupt, enters into liquidation voluntarily or involuntarily,

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discontinues business activities or takes a decision for a stay of liquidation or petition for bankruptcy or suspension of payment;

- c. If a change occurs in the Supplier's shareholding structure of such scope as to entail, in PMF's view, an aggravation of PMF's risks;
- d. If distress is imposed on the Supplier or if the Supplier's assets are threatened by distress or other judicial measures.
- e. If PMF's customer (principal) terminates its agreement with PMF in whole or in part for any reason whatsoever.

17.3. In each of the cases mentioned in 17.2, the Supplier shall in any such case inform PMF accordingly in writing at once. PMF shall moreover be entitled and empowered to suspend any Order and/or Agreements until compliance is sufficiently secured, and to suspend any and all of its obligations to Supplier on any account.

18. Transfer of rights and obligations and subcontracting/outsourcing

18.1. Without the written consent of PMF the Supplier is prohibited from transferring, assigning or pledging the Order or any part thereof or rights or claims pursuant to the Order or the Agreement to third parties. In particular, this prohibition affects payments made for the purpose of paying income tax, turnover tax and social insurance contributions. This prohibition has legal effect under property law as defined in Book 3, Section 83 (2) of the Dutch Civil Code. PMF is entitled to attach conditions to this permission. If PMF grants this permission, the Supplier will remain jointly and severally liable for compliance with the Agreement or obligations taken over, or with tax and social security legislation. The third party to whom the performance of the Agreement is outsourced will bind itself to all obligations ensuing for the Supplier from this Agreement.

19. Intellectual Property

19.1. The Supplier warrants that the materials used do not infringe any third-party industrial or intellectual property rights and indemnifies PMF from any and all claims for such infringements.

19.2. Goods and work protocols developed by the Supplier in collaboration with or on orders of PMF, shall become the property of PMF.

20. Materials, equipment, components, certificates, drawings and the like made available by PMF

20.1. Materials, equipment, components, certificates, drawings and the like made available to the Supplier by PMF for the performance of the Order and/or Agreement shall remain the property of PMF and shall be returned in good condition after said performance.

20.2. The Supplier shall have all items which it receives from PMF in connection with the Order and/or Agreement insured for the benefit of PMF at its own expense under the customary conditions against the risks of total or partial loss or damage from fire, theft or destruction.

20.3. The Supplier shall, upon receipt of the items referred to in this article, ascertain whether they correspond to the specifications.

21. Supplier's drawings

21.1. All drawings pertaining to the Order and/or Agreement shall be carried out in digital form and in such a way as to make good reproductions possible.

21.2. Drawings must contain all relevant data for the Deliverable, backed, where necessary, by calculations in accordance with generally accepted methods.

21.3. All drawings required for the assessment of the Deliverable must be submitted by the Supplier to PMF for assessment upon request or at such time as stipulated in the Order. PMF shall indicate, as soon as possible after receipt of the documents, whether it concurs with the drawings.

21.4. PMF's involvement in the assessment of the drawings shall not release the Supplier from its liability.

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22. Confidentiality

22.1. The Supplier shall treat all data and/or information obtained in connection with the performance of the Order and/or Agreement confidentially, and shall not disclose them to third parties without the prior, written consent of PMF, except for third parties which it calls upon for said performance. The Supplier shall impose a similar confidentiality obligation on such third parties and shall ensure that said third parties fulfil said confidentiality obligation.

23. Insurance

23.1. The Supplier shall be required to insure its liability in the widest sense of the term (including but not limited to professional liability, product liability, legal (risk) liability) to PMF and to third parties at its expense for at least €2,500,000 (two million five hundred thousand euro) per event.

23.2. In the event of subcontracting activities (including services) and contracting of work, the Supplier shall be required to insure its liability in the widest sense of the term (including but not limited to professional liability, product liability, legal (risk) liability) to PMF and to third parties at its expense for at least €2,500,000 (two million five hundred thousand euro) per event. PMF is entitled to ensure further requirements on the amount insured.

23.3. PMF must be indicated as the beneficiary in the insurance policy(ies), and it must be stipulated that the insurers shall indemnify PMF and/or third parties designated by PMF directly, and it must be stipulated that the insurance company shall waive any claim against PMF. The Supplier shall, at PMF's request, produce the insurance policy(ies) and proof that the insurance premiums have been paid. The deductible shall amount to €15,000 (fifteen thousand euro) per event.

23.4. The insurance obligation as described in article 23.1 and/or article 23.2 exists during the agreed period of time within which the Performance should be delivered including the agreed warranty period.

23.5. The conclusion of the required insurance policies shall not relieve the Supplier from its contractual or legal liability.

24. Applicable law and competent court

24.1. These General Purchasing Conditions and the Order and/or Agreement shall be governed by Dutch law.

24.2. The applicability of the Vienna Convention on Contractors for the International Sale of Goods (CISG) shall be excluded.

24.3. Unless stipulated otherwise by the relevant legislation, all disputes between the parties shall be referred to the competent courts of Rotterdam, whereby PMF shall be entitled to lodge claims against the Supplier, concurrently or otherwise, with other judicial bodies which, by virtue of national or international legal rules, are competent to hear such claims.

25. Termination of the Agreement

25.1. PMF shall be entitled at any time to terminate the Order and/or Agreement against payment of all Deliverables already delivered by the Supplier and accepted by PMF, plus the demonstrable actual costs incurred by the Supplier as a result of the non-completion of the Agreement, the latter up to a maximum of ten percent (10%) of the total price (contract price). The Supplier shall be required to limit the loss arising out of this termination as much as possible.

25.2. In the case referred to in Article 17, the regulation mentioned in that article shall apply exclusively.

25.3. In case of an event referred to in article 17.2 sub e it is agreed that the compensation eventually to be paid to Supplier never shall exceed the compensation of the Deliverables already delivered and which are considered to be accepted by PMF existing at the time that an event referred to in article 17.2 sub e occurs.

26. Language

26.1. The Supplier declares that it has sufficient knowledge of the English language so that it can understand the Order and/or Agreement, its terms and conditions and annexes fully, and that all future documents, drawings and correspondence are to be drawn up in English. Other languages will be used only if required by the competent authorities or insofar as expressly agreed otherwise.

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SPECIAL PROVISIONS FOR THE OUTSOURCING/SUBCONTRACTING OF ACTIVITIES (INCLUDING SERVICES) AND CONTRACTING OF WORK

In addition to the General Provisions, provisions from this section shall also apply to the outsourcing/subcontracting of activities (including services) and the contracting of work. If the Special Provisions differ from the General Provisions, these Special Provisions shall prevail, unless an express exception to this is made in any subsequently agreed Agreement for outsourcing/subcontracting or contracting work.

27. General obligations

- 27.1. The Supplier is deemed to be familiar with the legislation and regulations applicable to the Agreement, including but not confined to the Dutch Foreign Nationals (Employment) Act [Wet arbeid vreemdelingen], the Dutch Aliens Act [Vreemdelingenwet], the Dutch Placement of Personnel by Intermediaries Act [Wet allocatie arbeidskrachten door intermediairs], the Dutch Labour Market Fraud (Bogus Schemes) Act [Wet aanpak schijnconstructies], the Dutch Assessment of Employment Relationships (Deregulation) Act [Wet Deregulering Beoordeling Arbeidsrelaties] and the Dutch Posted Workers in the European Union (Working Conditions) Act [Wet arbeidsvoorraarden gedetacheerde werknemers in de EU], as well as the provisions of the applicable collective bargaining agreements. The Supplier undertakes to observe and comply with all applicable statutory and other regulations when executing the Order and deploying Employees.
- 27.2. The Supplier will record the agreements with Employees in writing and, if requested, will provide competent authorities and/or PMF with access to the agreements with Employees and will cooperate in checks, audits or wage validations.
- 27.3. The Supplier will impose obligations similar to those stipulated in this article on all Suppliers with whom it enters into agreements for the execution of the Order and will stipulate that its Suppliers include these provisions in all agreements with their suppliers.

28. Placement of the Order, Requirements of the Customer

- 28.1. PMF is entitled to require that a Supplier who is not certified by a quality system accepted by PMF will enter into a quality audit before the Order is placed and/or to impose additional certification/quality requirements.
- 28.2. Acceptance test/quality audit. If an acceptance test or a quality audit is agreed, the Supplier shall be required to impose the agreed procedure on its Subcontractors as well.
- 28.3. PMF is entitled at all times to give the Supplier specific and/or supplementary instructions on quality in respect of the Deliverable. Unless unreasonable, costs incurred as a direct result of such instructions shall be borne by the Supplier.

29. Schedule

- 29.1. The Supplier shall submit a schedule to PMF for approval, containing in particular the starting and completion times of the successive sections of the Deliverable (activities) and number of persons employed. If PMF does not agree with the schedule, it shall inform the Supplier accordingly as soon as possible after receipt thereof. After such notice, Supplier shall revise the schedule according the findings of PMF.
- 29.2. PMF is entitled to make changes to the schedule at all times during the execution. The Supplier shall report any consequences of such changes to PMF within 5 (five) working days, failing which Supplier may not derive any rights from such changes.
- 29.3. The Supplier shall report periodically, in accordance with PMF's wishes, on the progress of the activities and on all aspects relating thereto.
- 29.4. The Supplier shall use best efforts to prevent waiting times and/or other delays/obstacles and to minimize the consequences thereof. The Supplier shall be responsible for the timely planning and coordinating of the works to be provided in consultation with the PMF employees authorized for that purpose. The Supplier shall make no claim to compensation for waiting times/obstacles and/or changes to the schedule, unless such compensation and/or change has been approved by the person authorized by PMF.

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30. Quality and quantity of the employees

30.1. The Supplier shall be responsible for daily management, the authority and supervision of the activities and shall thereto appoint (a) permanent representative(s) who execute(s) the daily management, the authority and supervision for and on behalf of the Supplier. The number of authorized supervising officials with the requisite expertise that the Supplier assigns for that purpose must correspond to the scope and nature of the activities and the requirements set by PMF. For the purposes of the Agreement, the terms personnel, member of personnel and Employee shall mean the Supplier's employee(s). Where applicable, this can also mean self-employed individuals and/or hired workforce who deliver/perform the Deliverable, or part thereof, on behalf of the Supplier.

30.2. The Supplier shall be responsible to PMF that the services provided by the Employees will be carried out in a professional and uninterrupted manner, and that the Employees meet and shall continue to meet the agreed qualities with respect to education, experience and expertise.

30.3. The Supplier - unless otherwise agreed - shall provide the Employees with tools and personal protective equipment (i.e. safety helmet, safety shoes, work clothing and safety glasses).

30.4. The Supplier shall replace employees only incidentally, and temporarily or definitively only after the prior consent of PMF. PMF shall not withhold such consent unreasonably. PMF is entitled to impose additional conditions to its consent.

30.5. If the Employees do not appear to be capable of performing to PMF's satisfaction, the Supplier undertakes in respect of PMF to replace said Employees immediately without charging PMF any extra costs. If this should lead to loss and/or higher costs for PMF, the related costs incurred shall be reimbursed by the Supplier.

30.6. Notwithstanding the provisions of Article 31.1 below, the activities shall be carried out in accordance with the working times and rules of conduct in force at the time. The Supplier shall instruct the Employees to comply with the working times and rules of conduct in force for the performance of the activities.

30.7. PMF shall be authorized to count the Employees at work on a regular basis, to which the Supplier confirms its cooperation in advance. The Supplier shall moreover be required to lend all cooperation to other (reasonable) administrative regulations taken or to be taken regarding the workforce available for the Deliverable, as well as to provide a daily overview of the employees at the work site, broken down according to every task in progress.

30.8. With respect to determining whether an Employee meets the relevant job profile, PMF reserves the right to test an Employee prior to the activities. Such a (practice) test will - unless stipulated otherwise by PMF - take place on the premises of PMF.
The cost of said test shall be borne by PMF, on the understanding that:

- the cost of the hours spent on the actual test shall be borne by the Supplier if the Employee in question fails, in PMF's opinion, to achieve a satisfactory result on the test;
- the cost of the hours spent on the actual test shall be borne by PMF if the Employee in question achieves, in PMF's opinion, a satisfactory result on the test;

30.9. During the activities, PMF shall be authorized to verify whether the Employees meet the requirements at all times. The Supplier shall be required to lend all cooperation to such verification. If the Employees do not meet the requirements set by PMF, the latter can take such action as it should deem appropriate including, but not limited to, denying the Employees concerned access to the location (work site).

30.10. PMF may request the Supplier to no longer deploy one or more of the Employees for the Deliverables under the Agreement for reasons which PMF will subsequently explain. Upon said request from PMF, PMF shall no longer have to pay compensation with respect to the Deliverables or parts thereof in which the said Employees were involved.

31. Required documents and/or permits

31.1. When mobilizing Employees who are nationals of a country within the European Economic Area (EEA), the Supplier must make sure that the requisite documents are provided to PMF in a timely manner. These documents must be in PMF's possession 2 (two) weeks before the commencement of the Deliverable.

31.2. In addition to 31.1 it is understood in case of mobilization of non-EEA Employees, the Supplier ensures that at a minimum a qualitative color copy of a valid ID document, a copy of an A1 certificate and a copy of a valid residence and work permit is timely provided.

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31.3. PMF may, in all reasonableness and fairness, impose additional requirements pertaining to labor law issues.

32. Working conditions and safety

32.1. The Supplier shall also bear responsibility for the working conditions and safety at work. The Supplier shall comply with all applicable legal requirements, additional requirements (including those of the Labor Inspection), regulations, contractual provisions and safety requirements in force on the site and/or other applicable regulations.

32.2. The materials, tools and equipment used by the Supplier (including, but not limited to hoisting and lifting gear, hoses and air hoses, lifts, ladders and scaffolding) must be visibly/demonstrably approved and meet all relevant requirements and must be kept in a good state of repair, as assessed by PMF.

32.3. In addition, for specific, risky activities (including hoisting), the Supplier must draw up a specific plan (for example a hoisting plan) and send it to PMF immediately.

32.4. The Supplier shall conduct a safety inspection at the work site on a monthly basis. The results of said inspection must be reported immediately to PMF. The Supplier shall attend the Toolbox meetings.

32.5. Employees who, in PMF's judgement, behave in an unsafe manner at work, must be removed from the site upon first such notice served by PMF. The Supplier shall ensure that such Employees are replaced immediately. If this should lead to loss and/or higher costs for PMF, the related costs incurred shall be reimbursed by the Supplier.

32.6. The Supplier shall immediately report unsafe situations to PMF, supported by facts (cause and effect). If this should lead to loss and/or higher costs for PMF, the related costs incurred shall be reimbursed by the Supplier.

32.7. In connection with the general health and safety obligations, the Supplier shall inter alia oversee and/or ensure the following:

- a. to regularly inform PMF about specific risks linked to the activities, e.g. by - prior to the start of works - producing a safety plan that includes a risk assessment (including a description of the preparations pertaining to the works to be carried out) and to subsequently update (including in the event of a scope change), a copy of which must be send immediately to PMF. The Supplier's safety plan must also be based on PMF's General Safety Plan. In addition, Task Risk Analysis (TRA) reports must be produced and send immediately to PMF.
- b. Activities in confined spaces may only be carried out after approval of the specific TRA by PMF and only in so far as the activities are included in the scope of the relevant authorization;
- c. provide lawful written and oral instructions and training (including the organization of a kick-off meeting and weekly toolbox meetings) to its personnel with regard to potential risks and existing safety measures;
- d. take part in all safety meetings organized by the project leader;
- e. that its personnel shall correctly wear personal protective equipment at the workplace;
- f. that all relevant personnel have the required competence and/or skill certificates (for instance: VCA for all Employees/VCA-VOL for supervisors and higher-ranked personnel)
- g. that, at all times, in all (daily) activities, a (last-minute) Task Risk Analysis (TRA and/or LMRA) (at the workplace) is first carried out;
- h. to coordinate its activities with the activities of PMF and the other contractors, by taking safety measures in order to prevent safety risks, and another in direct relation to the work permit(s);
- i. at any request of PMF, to produce so-called Work Method Statements (WMS) and to send them immediately to PMF;
- j. that when it calls upon Subcontractors, the latter must comply with all requirements set out in these General Purchasing Conditions and other applicable requirements, failing which the Supplier will hold harmless PMF from any form of damage and/or any form of costs;

32.8. PMF is entitled at all times to give the Supplier specific and/or supplementary safety instructions in respect of the Deliverable. Unless unreasonable, costs incurred in connection with such instructions shall be borne by the Supplier.

32.9. When the Supplier or its Employees and/or Subcontractors fail to comply with or do not fully comply with these requirements, PMF may itself, immediately and without termination or notice, take the appropriate measures at the expense of and in respect of the Supplier.

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33. Supplier's Default

- 33.1. If, in PMF's judgement, the activities proceed in such a way that the stipulated duration for the completion of the Deliverable or a part thereof will be exceeded, or if the Deliverable is not carried out in accordance with the provisions of the Order and/or the Agreement and/or in accordance with the requirements of good practices, PMF shall inform the Supplier in writing.
- 33.2. If, in PMF's judgement, the Supplier has not taken measures within one week of receipt of the relevant notice referred to in Article 33.1 to recover the lost time or to comply with the aforementioned provisions and requirements within a short period of time, PMF shall, without prejudice to its other rights, and without judicial intervention, immediately take such measures as it should deem necessary, including the dismissal of the Supplier from performing activities and having said activities performed by PMF itself or by parties acting on its behalf. In such a case, the Supplier shall lend all cooperation to PMF and to said third parties.
- 33.3. All costs incurred by PMF in connection with the eventualities in Article 33.2 shall be borne by the Supplier who shall reimburse said costs immediately to PMF. Such costs shall include compensation to PMF for supervision as well as overheads.
- 33.4. Supplier will indemnify PMF against any claim by any third party (including Supplier's Employees) pertaining to its obligations as described in Articles 27, 34 and 35.

34. Payment of contributions and taxes

- 34.1. The Supplier shall comply with all applicable laws concerning its Employees and guarantees its full compliancy in regard to the payment of applicable social security contributions and payroll taxes of its Employees.
- 34.2. The Supplier is required to immediately produce, upon PMF's first request, any form of justifying documents pertaining to compliance with the requirements set out in Article 34.1. PMF reserves the right to impose other requirements in terms of information which the Supplier must provide to PMF so that PMF can ascertain whether the Supplier is compliant with the legal obligations and other regulations as mentioned in Article 34.1.

35. Chain Liability Act

- 35.1. Without prejudice to the provisions of Article 34, the Supplier shall keep records in such a way that the actual labor costs can be determined per project. PMF shall be entitled to peruse said record at all times. The Supplier shall mention the actual labor costs on every invoice.
- 35.2. PMF will at all times be entitled to pay to the Supplier the payroll taxes owed by the Supplier in respect of the Order, for which the Supplier is jointly and severally liable pursuant to Section 34 of the Collection of State Taxes Act 1990, by payment into the Supplier's blocked account (G-rekening).
- 35.3. With due observance of the provisions in Article 11, and if no agreements to the contrary have been reached PMF will transfer 50% of the actual wage costs to the Supplier's blocked account
- 35.4. If the "VAT transfer regulation" is applicable to an Order, the Supplier shall mention it on every invoice.

36. Delivery/Acceptance

- 36.1. The Deliverable shall be considered delivered/accepted when the Supplier has informed PMF in writing that the Deliverable has been completed and PMF has approved and accepted the Deliverable. The approval and acceptance shall be carried out by means of a completion report. Commissioning and/or use is not the same as delivery. If and where appropriate the delivery will be granted under the suspensive condition of the delivery of the performance by the principal of PMF.
- 36.2. Minor defects that can be repaired within the guarantee period and which do not affect the operability of the Deliverable shall not hinder the delivery/acceptance.
- 36.3. Delivery/Acceptance shall not discharge the Supplier of its liability for defects affecting the Deliverable that could not reasonably be detected at the time of delivery/acceptance and/or any other obligations incumbent upon the Supplier based on any form and period of guarantee.
- 36.4. The risk of the Deliverable shall be transferred to PMF only after the delivery/acceptance.

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37. Non-solicitation

- 37.1. The Supplier and PMF shall, for the term of the Order and/or Agreement and for one (1) calendar year after the expiry thereof, refrain from recruiting each other's personnel in any way.
- 37.2. Exemptions from the provisions of Article 37.1 may be made only if agreed in writing by and between the parties.