

GENERAL PURCHASING CONDITIONS

Of the private limited liability company Royal Steensma B.V., that has its registered office in Leeuwarden, The Netherlands, deposited with the Chamber of Commerce and Industries in Leeuwarden on January 1st 2005.

Article 1 – General

These purchasing conditions shall be part of every agreement entered into by Steensma B.V. either as buyer or principal. Unless specifically agreed otherwise in writing, these purchasing conditions shall apply to all our orders to supply and shall prevail over differing conditions of sale on the part of the supplier. In these conditions Steensma B.V. shall be referred to as the principal.

Article 2 - Price

Prices specified in the principal's order shall be fixed and binding, unless agreed otherwise. Price adjustments will only be accepted when confirmed in writing in advance.

Article 3 - Confirmation

Orders to supply and the agreements associated with them shall only be binding on the principal if these are confirmed in writing by the principal.

Article 4 - Delivery

Delivery of more or less than the agreed quantity shall not be accepted without the approval of the principal. Extra costs which are not covered by a written order or change thereof by the principal, will not qualify for reimbursement.

The supplier shall need prior written permission of the principal for all work contracted out to third parties. The supplier shall remain entirely responsible and liable regarding work carried out by third parties with respect to the principal's order.

Article 5 - Delivery period

Should the agreed delivery period be exceeded, the principal shall be entitled to regard the agreement as null and void and shall be exempt from any form of compensation for damages. This without proof of default or legal intervention and without prejudice to the principal's further rights.

Article 6 - Packaging

Unless the nature of the goods precludes this, the goods shall be adequately packaged and protected in such a way that, in the judgement of the principal, they reach their destination in good state, provided with the necessary documentation and marked properly. The principal is entitled not to accept receipt of the goods to be supplied should the aforementioned not be complied with.

Article 7 - Location

The goods to be supplied must be delivered to the place indicated by the principal at the delivery time or within the delivery period stipulated in the order. Unless otherwise agreed, the Incoterms 2000 shall apply.

Article 8 - Testing

The goods shall become the responsibility and risk of the principal once the principal has approved of them, after testing. Testing shall involve assessment by the principal of the goods supplied with regard to quantity and visible characteristics and also, if applicable, to functionality. Among other things, the principal shall carry out a so called trial production.

Article 9 - Refusal

Should the principal refuse the goods supplied, he shall notify the supplier of this within four weeks of delivery. This notification shall be regarded as proof of default. The goods refused shall remain the responsibility and risk of the supplier. Should shortcomings be noticed in the goods during their storage life which did not emerge during testing, the principal shall still be entitled to refuse them and shall notify the supplier of this within two weeks after the fault has been noted.

In case of goods, services, projects or installations being refused, the principal is entitled thus:

- a. to allow the supplier to make good the deficiency or deficiencies within a period to be specified by the principal, should the principal consider this possible and appropriate;
- b. to allow the supplier to re-deliver within a period to be specified by the principal, should the principal consider this possible and appropriate;
- c. to dissolve the purchasing agreement by means of a written declaration.

All this without prejudice to the rights of the principal to reimbursement of all costs and damages which may be incurred by the principal and his customers as a

consequence of incorrect or unsatisfactory execution of the order. Limitations or exclusions of liability shall not be accepted by the principal.

The principal has also the right either to keep the goods refused in his possession until the supplier has instructed him further as to what he should do with them or to return these goods to the supplier at the supplier's own risk.

Article 10 - Damages

The supplier shall, also after testing by the principal, remain fully responsible for damages arising through deficiencies which come to light when the goods concerned are used or during or after treatment or processing, including damages to third parties who seek redress from the principal.

Article 11 - Purchase

Testing of the goods, services, projects or installations at the supplier's premises shall not imply delivery or purchase.

Article 12 - Guarantee

The supplier shall guarantee that the goods purchased and delivered conform to the agreed specifications and that they are suitable for the purposes for which they are intended.

Article 13 - Quality

The goods must be completely new and of good quality and composition and free from contamination and other deficiencies.

Article 14 - Government regulations and risks regarding personal health and safety

The goods must at least satisfy the legislation and government regulations of the country in which the supplier has his registered offices as well as the legislation and government regulations applying in the Netherlands. The goods and the use thereof may not entail risks to personal health or safety or to property.

Article 15 - Liability

The supplier shall indemnify the principal against liability or damages which third parties could exercise against the principal as a consequence of non-observance by the supplier.

Article 16 - Property

Should the principal, in the course of an agreement, place articles at the disposal of the supplier for packaging or treatment, for example, these articles shall remain the complete property of the principal and the supplier shall undertake to maintain them with due diligence and to use them for or subject them to no other treatment than that stipulated for execution of the agreement. The supplier shall undertake to completely indemnify the principal against damage to the articles or damage caused by the way on which the supplier has treated the articles.

Article 17 - Industrial property

The supplier shall guarantee that what is supplied by him does not infringe the rights concerning the industrial property of third parties and indemnifies the principal against liability in this matter.

Article 18 - Payment

Payment shall be made within 30 days from the invoice date unless another payment period has been agreed in writing. It shall be deferred should the principal lodge an objection to the way in which the order has been executed. However, in no way does payment imply a renunciation of the right to object to the way in which the order has been executed.

Article 19 Force Majeure

Should one of the parties be prevented from meeting his commitments as a result of force majeure such as a natural catastrophe, government measures, war or insurrection, he shall immediately inform the other party of this in writing. In such a case, the latter party shall be entitled to cancel the order fully or in part or to defer execution of his commitments.

Article 20 - Bankruptcy, suspension of payment

Should the supplier be declared bankrupt, be granted suspension of payments or liquidate his company, the principal shall be entitled to dissolve the agreement either wholly or in part by means of a written declaration, without proof of default and without prejudice to the principal's right to claim compensation for damages.

Article 21 - Deductions

Money owed to the supplier by the principal may be deducted from those amounts due to the principal from the supplier.

Article 22 - Foreign currency

The exchange rate for foreign and Dutch currency shall be the official exchange rate on the day of payment, unless otherwise agreed in writing.

Article 23 - Applicable law, disputes

With the exception of the Treaty of Vienna, Dutch law shall apply exclusively to these purchasing conditions, the agreements to which these apply and the obligations arising from them.

Disputes which cannot be solved through mutual consultation shall be exclusively subject to the judgement of the appropriate court in Leeuwarden, The Netherlands.

Article 24 - Validity

These purchasing conditions supersede all previous purchasing conditions and shall apply to all purchasing agreements concluded by the principal after the date of deposit with the Chamber of Commerce.

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