

## **ROYAL COSUN GENERAL TERMS AND CONDITIONS OF PURCHASE**

### **Clause 1. Interpretation**

1. The terms and expressions used in Royal Cosun's general terms and conditions of purchase shall be interpreted as follows:
  - Contract: every contract of purchase by Principal and/or related (legal)acts between Principal and Supplier and contracts resulting therefrom and further (legal)acts or extra-contractual relations, as well as every offer, invitation, quotation, inquiry and/or advice and things of such kind to which the Principal and/or the Supplier are party.
  - Delivery: delivery of the Products including delivery of work and services.
  - General Conditions: Royal Cosun general terms and conditions of purchase.
  - Principal: Royal Cosun, namely Koninklijke Coöperatie Cosun U.A. and/or one or more of its (indirect) subsidiaries and/or (indirect) companies within the group that is/are party to a Contract.
  - Products: goods, services and/or work as described in the Contract.
  - Supplier: other party (not being the Principal) to a Contract.
2. Headings are added only for ease of reference and do not form part of (the terms of) these General Conditions or the interpretation thereof.

### **Clause 2. Applicability**

1. These General Conditions apply to all Contracts. Once the General Conditions apply, they shall also, without further notice, apply to new Contracts entered into by parties.
2. Any general terms and/or conditions of the Supplier (regardless of nomenclature) do not apply.
3. Should one or more of the provisions of these General Conditions be in conflict with one or more provisions of the Contract, the provisions of the Contract shall prevail.
4. In the event that any provision of the Contract and/or General Conditions is, for whatever reason, wholly or partly invalid, then the remainder of the Contract and these General Conditions shall remain in force and be legally binding, and the parties shall, as far as the invalid provision is concerned, be deemed to have agreed upon that which is lawfully closest to the purport of the invalid provision.
5. The original version of the General Conditions is in the Dutch language and in the case of conflict the Dutch text shall prevail over any translations thereof.

### **Clause 3. Entering into Contract and amendments**

1. Every offer, invitation, quotation and/or inquiry made by the Supplier is irrevocable and unconditional.
2. Principal is bound by the Contract only when and in so far that it has been accepted by the Principal in writing.
3. Amendments, which also include more and less work, shall be agreed in writing.
4. Where Products are supplied by the Supplier to the Principal that have not been previously supplied to the Principal, including Products that diverge from previously delivered Products either in composition or in any other way, Supplier shall, prior to the acceptance of a Contract or ,where appropriate, prior to the entering into a Contract, provide the Principal with all relevant written information with regard to the safety, health, environment and other (product) information and user directions and instruction books, free of charge.
5. Supplier has no right to suspend performance or to settlement. Supplier waives its right to dissolve or annul a Contract, both in or out of court.

### **Clause 4. Price, invoicing and payment**

1. Prices mentioned in the Contract are exclusive of VAT but inclusive of all costs and allowances and – if applicable – excise, duties and levies.
2. Supplier's prices cannot be increased, irrespective of the circumstances, unless the parties expressly agree otherwise in writing.
3. Invoicing takes place after Delivery. Payment of undisputed invoices takes place within 60 days after the receipt of the invoice. Payment does not discharge the Supplier from any guarantee and/or liability.
4. Principal (as well as each of Principal's (indirect) subsidiaries and/or (indirect) companies within the group) has the right to settle claims it has against the Supplier with claims the Supplier has against the Principal (as well as each of the Principal's (indirect) subsidiary and/or (indirect) companies within the group).
5. In the event that the Supplier calculates a lower price and/or more favourable conditions for the Principal's (indirect) subsidiary and/or (indirect) company within the group, then this lower price and/or more favourable conditions shall apply automatically to all Principal's (indirect) subsidiaries and/or (indirect) companies within the group.
6. Should Supplier qualify pursuant to the Contract as an importer within the meaning of the Environmental Taxes Act (or any law or regulation that replaces it), Supplier shall state such on its invoices and specify the quantity of packaging delivered by type of packaging in accordance with section 86 of the Environmental Taxes Act (or any provisions that replace it). Should Principal (or its indirect customer(s) where applicable) qualify as an importer, the amount or charge referred to in section 86 of the Environmental Taxes Act shall, notwithstanding the provisions of article 4.1, be paid by Supplier to Principal or deducted from the price.

### **Clause 5. Delivery and performance**

1. All deliveries take place DDP (ICC Incoterms 2010) at the delivery address during the Principal's normal hours of business and in conformity with the Principal's (further) instructions.

2. Supplier undertakes responsibility for obtaining all consents, permits and other documentation necessary for the Products and Delivery, and holds harmless and indemnifies the Principal accordingly.
3. On a date to be determined by the Principal, the Supplier must submit to the Principal for its approval, a time scheme that sets out production, assembly and readiness for use of important parts of the Products, and shall regularly report in writing on progress made.
4. In the event that the Products are part of a larger unity, Supplier is obliged to take care of the Products and shall provide all assistance necessary to ensure that the Supplier's production fits other components and functions properly with third party products, without incurring any extra costs for Principal.
5. The agreed delivery time ("delivery time") is of the essence and is a firm date.
6. Supplier must immediately inform the Principal in writing of any likelihood that the delivery time may be exceeded, stating the reasons for this and giving the expected delivery time, without prejudice to any rights the Principal may have as a result of the delivery time being exceeded.
7. Principal retains the right at all times to postpone the Delivery. In such a case the Supplier shall, at its own cost and risk, keep the Products properly packed and conserved, stored separately from other goods and identifiable.
8. In the event that the Products relate to the implementation and/or completion of a work, then installation and (dis)assembly are included in Delivery and performance. Once a work has been completed and is ready for use, it will be surveyed and the Principal shall draw up an inspection report. Principal can only accept a work expressly in writing.

#### **Clause 6. Quality and guarantees**

1. Supplier guarantees that the Products conform fully with the Contract and the specifications contained therein, that the Products shall be of good quality and shall comply with all applicable national as well as international sector requirements, legislation, regulations and other governmental directions and that he will perform the Contract.
2. Supplier shall, as soon as the Principal so requests, repair or replace defects in the Products within a reasonable period of time determined by the Principal. Repair or replacement is done at the Supplier's own cost and risk.
3. Guarantees in respect of Products take effect from Delivery and guarantees in respect of work take effect upon acceptance or, where appropriate, completion. Completion does not discharge the Supplier from its duties under the Contract.
4. Supplier, its employees as well as third parties acting on its behalf, shall observe all legal safety, health, environmental and similar regulations, as well as any conditions and orders that may be specified by the Principal, for which the Supplier is responsible.
5. Supplier guarantees that third parties acting directly or indirectly upon its instructions shall be treated in accordance with the OECD guidelines governing multinational enterprises.
6. This Clause also applies to replaced or repaired parts, goods and/or work provided by the Supplier.

#### **Clause 7. Transfer of ownership and risk**

Risk for and ownership of the Products are transferred to the Principal at the time the Products are delivered to the Principal or to any third party appointed by Principal for this purpose at the delivery address. In the event that the Principal has already made partial or complete payment, ownership of the Products is transferred fully to the Principal at the moment this payment is made.

#### **Clause 8. Packing and transport**

1. Supplier shall pack and protect the Products in such a way that they reach the delivery address in good condition and can be safely discharged there.
2. The costs of packing shall be borne by Supplier. Ownership of the packing material transfers to the Principal at the time of Delivery. Supplier shall, as soon as the Principal so requests and free of charge, remove the packing material and shall bear responsibility, in that case, for its destruction or recycling and for all associated costs.
3. The Supplier guarantees that the conveyance used for the transport of the Products will be cleaned thoroughly in order to prevent pollution/contamination and/or loss in quality of Products.
4. Cleaning means that at least all national, international and supranational legislation, regulations and other governmental directions with regard to cleaning of conveyance are complied with. The purpose of the Products – and with due observance of the enterprise(s) of the Principal – brings along that the cleaning needs to be exercised with a larger care than the aforementioned legislation, regulations and directions.

#### **Clause 9. Inspections**

1. Principal retains the right at all times during manufacture, production, storage and/or transportation to inspect, or to have the Products inspected, regardless of where that may be. In all cases Supplier shall (indirectly) give right of access to manufacturing, production, storage and/or transportation premises. Supplier shall provide all assistance necessary to enable the inspection, free of charge.
2. If Principal is of the opinion, at the time of or after delivery and/or inspection, that the Products do not comply with the requirements specified by the Principal and/or agreed upon, said Products can be rejected by the Principal in whole or in part.
3. Any part of the Products that is subject to inspection by or on behalf of a government authority can be rejected if, inter alia, approval and the inspection report from the relevant government authority are not made available before delivery. Amendments and/or improvements deemed necessary by a relevant government authority, shall be carried out by the Supplier at its own cost prior to Delivery.
4. Principal shall inform the Supplier that it has rejected the Products within a reasonable period of time.

5. Inspections and their results can never be construed as acceptance on the part of the Principal of the quality of the Products or compliance with the Contract, and do not exempt the Supplier from any responsibility or liability in that respect.

#### **Clause 10. Termination**

1. Principal retains the right to terminate the Contract in whole or in part without notice of default and without legal intervention, without such termination resulting in any liability on the part of the Principal for costs and/or damages and without prejudice to the Principal's right to damages:
  - a. should the Supplier be unable or unwilling to perform the Contract, or be unable or unwilling to perform it timeously or completely;
  - b. in the event that the Principal rejects the Products in whole or in part;
  - c. in the event of (application /request for) suspension of payments or bankruptcy on the part of the Supplier, attachment on (part of) the Supplier's business property or goods, strikes or liquidation of, or transfer of the legal and/or actual control of its business, or withdrawal of any licenses;
  - d. where other circumstances exist that give the Principal reasonable grounds for doubting the continued ability of the Supplier to perform its contractual obligations to the Principal; and/or
  - e. when the Principal suspects that one or more of the abovementioned circumstances may exist.
2. In the case of termination, the Principal retains the right to keep Products that have already been received, or to return them to the Supplier at the Supplier's risk and cost, or to reject Products that still have to be offered for delivery. The Supplier is obliged to make immediate restitution to the Principal of payments made pursuant to the Contract less the value of the Products kept by the Principal.

#### **Clause 11. Damages and indemnity**

1. Supplier is liable to the Principal for damage resulting from a shortcoming attributable to or on behalf of the Supplier.
2. Supplier indemnifies the Principal against third party claims for compensation for damages.
3. Any penalty clause in the Principal's favour that the Principal and the Supplier may have agreed upon leaves the Principal's right to claim damages(exceeding the amount of the contractual penalty) intact.

#### **Clause 12. Property of Principal and liability**

1. All goods or any other form of intellectual property rights ('resources') of the Principal, whether or not made available by the Principal to the Supplier and whether or not used by the Supplier, are and remain or become respectively the exclusive property of the Principal. Supplier shall hold these resources as a loan for use, by Supplier clearly indicating that they are the Principal's property, and shall keep them in good condition and shall bear all the risks, until said resources have been returned to the Principal. Supplier shall use the resources solely for the performance of the Contract. Supplier acquires no right at all in respect of the Principal's property.
2. Principal is not liable for damage to the Supplier or third parties, that results to the Supplier or third parties from shortcomings of Principal and/or its (not) subordinate assistants, support material and/or the results hereof during (the performance of) a Contract, unless the damage (where appropriate, the shortcoming attributable to the Supplier) is the direct result of willful intent or gross negligence on the part of the Principal.

#### **Clause 13. Personnel, income tax and contributions**

1. Supplier guarantees that the personnel employed by it to perform the Contract conform to the Principal's requirements and to generally accepted requirements in respect of professional skill and expertise. In the event that the Principal has reasonable grounds for asking the Supplier to replace personnel, including lack of conformity with the requirements referred to in the preceding sentence, the Supplier is immediately responsible for arranging suitable replacements.
2. Supplier is obliged, to the Principal's satisfaction, to keep an attendance record of all those whom the Supplier has brought onto the Principal's premises in order to perform the Contract. This record, and a copy thereof, must be produced as soon as the Principal asks for it.
3. Supplier shall oblige all those whom he has brought to work on the Principal's premises to be in possession of a valid identification (passport, driving licence, Netherlands identity card or aliens document) and to produce such identification when asked to do so to the personnel designated by the Principal, and to hand in a copy of the identification at that time.
4. Principal does not owe the Supplier any sums due pursuant to social security and tax legislation. All possible obligations for social security contributions, premiums and loan premiums, all deductions in respect of income tax, all payments of value added tax and all other taxes and/or levies and the payment thereof shall be made timeously by the Supplier. Principal retains the right, when necessary, to withhold payments due to the Supplier and to deposit these amounts in the Seller's blocked account or to pay them directly to the Collector of Taxes for the Inland Revenue Department and the National Institute for Social Insurance (LISV).

#### **Clause 14. Subcontractors and ultimate responsibility**

1. In its agreements with subcontractors Supplier stipulates that they shall waive every claim they may have against the Principal and also that they submit to all conditions applying to the Principal and the Supplier.
2. Supplier must take all steps, including co-operation with any measures the Principal deems necessary, to limit the Principal's liability under the Law of Ultimate Responsibility ("*Wet Ketenaansprakelijkheid*") as far as possible.

3. Principal retains the right, should the case arise, to withhold payments to the Supplier and to deposit these amounts in the Supplier's blocked account or to pay them directly to the Collector of Taxes for the Inland Revenue Department and the National Institute for Social Insurance (LISV).

**Clause 15. Confidentiality**

1. Supplier shall treat the existence, nature and contents of the Contract as confidential and shall not disclose anything relating to the Contract without prior written consent from the Principal. Supplier is also bound to treat all matters made known to it in the course of performance of the Contract that it can reasonably be expected to understand as secret or confidential, as confidential, unless these matters need to be made known to third parties to enable performance of the Contract. Supplier undertakes and ensures that its employees and third parties engaged by it for the performance of the Contract observe this obligation of confidentiality.
2. Supplier has no right to make the existence of the Contract and/or the legal relationship with the Principal known to third parties in brochures, advertisements or otherwise without prior written consent from the Principal.
3. Without Principal's prior written permission, photographing, filming, the making of other sound and/or vision recordings and all other forms of recording by the Supplier at or from the Principal's site is prohibited. Supplier undertakes and ensures that its employees and third parties engaged by it for the performance of the Contract observe this prohibition.
4. In the event of a breach of any of the foregoing provisions, the Supplier shall become immediately liable to pay to and on behalf of the Principal a fine of EURO 50,000 for each breach together with an additional fine of EURO 5,000 for every day that the breach continues, without prejudice to the Principal's right to full compensation for damages incurred. Principal is entitled to demand fulfilment of this penalty clause simultaneously with the fulfilment of the obligation that gave rise to the penalty clause.

**Clause 16. Transfer of contract**

Supplier shall not subcontract (the performance of) a Contract to third parties or assign a Contract in whole or in part to third parties without prior written consent from the Principal.

**Clause 17. Applicable law and competent court**

1. Each Contract shall be governed solely by the laws of the country in which the Principal's contracting entity is domiciled. Application of the Vienna Sales Convention (United Nations Convention on Contracts for the International Sale of Goods) is expressly excluded.
2. All disputes between the Principal and the Supplier shall, in the first instance, be heard by a competent court in the district where the Principal's contracting entity is domiciled. Contrary to these provisions however, Principal retains the right at all times to refer settlement of a dispute to arbitration pursuant to the Rules of Arbitration of the International Chamber of Commerce, before one or more arbiters appointed in accordance with the aforementioned rules.