

Article 1 Preamble

- 1.1 These General Conditions shall apply when the parties agree in writing or otherwise thereto. When the General Conditions apply to a specific contract, modifications of or deviations from them must be agreed in writing.
- 1.2 The object(s) to be supplied under these General Conditions is (are) hereinafter referred to as the Product.
- 1.3 Wherever these General Conditions use the term in writing, this shall mean by document signed by the parties, or by letter, fax, electronic mail and by such other means as are agreed by the parties.

Article 2 Definitions

- 2.1 "Mould" is herein also understood to mean any models, moulds, forms, tools, equipment, patterns, etcetera in the broadest sense, as produced by or provided to the Supplier.
- 2.2 "Purchaser" is herein also understood: he to whom a tender is made.
- 2.3 "Supplier" also means: everyone who refers to these conditions for delivery in his tender.
- 2.4 "Components" are understood to mean any components, materials, resources, or parts thereof that are to be fitted to, into, or respectively incorporated into the Product to be manufactured

Article 3 Tender

- 3.1 Every tender made by the Supplier is free of engagement. A contract shall not be effective until the Supplier has accepted an order in writing and without reservations, or after the Supplier has started the execution of the work.
- 3.2 The order includes all that, which has been described in the tender. The contents of brochures, printed matter and such shall not be binding upon the Supplier, unless the Supplier has expressly referred to that.
- 3.3 Advice, instructions or manuals, however named, concerning the use, processing, mounting and such of the Product of the Supplier, are provided free of engagement and without any liability.
- 3.4 Tenders are always based on any data, drawings and resulting measurements as provided by the Purchaser.

Article 4 Drawings and descriptions

- 4.1 Drawings, technical descriptions, designs and calculations shall be part of the contract if and as far as they are referred to in the contract. If the drawing differs from the description in the order, the latter description shall prevail. Designs, illustrations, drawings, notifications of measurements and weights, samples and models provided by the Supplier shall be as accurate as possible. Minor variations during the execution are possible. If the contract does not refer to drawings, said drawings are merely an illustration and shall not be binding.
- 4.2 The Supplier reserves all intellectual or industrial ownership (rights) concerning any designs, models, moulds, illustrations, sketches, brochures and advertising materials, calculations, drawings, offers and such, and services carried out by the Supplier, all these in the broadest sense. On the basis of the contract of which these conditions are a part, these rights shall be transferred to the Supplier by the Purchaser for as much as necessary, which transfer, taking effect immediately after the creation of said rights, is accepted by the Supplier at this point in time already. As far as such transfer of these rights should require a further instrument, the Purchaser shall offer the Supplier his assistance for said transfer of these rights at first request by the Supplier, without making any conditions. Any cost caused by creating certain intellectual (ownership) rights (such as patents), shall be borne by the Supplier. The Purchaser hereunder provides the Supplier with an irrevocable authorization to have the transfer of said rights entered in the appropriate registers.
- 4.3 The above goods and rights shall remain property of the Supplier, and may not be copied, handed over to any third parties or provided for their perusal for whatever purpose without express written permission by the Supplier.
- 4.4 The above goods are to be returned to the Supplier postage paid, immediately at the first request by the Supplier, and at any case within 14 days after the decision that the Supplier is not granted to carry out the work or supply the goods.
- 4.5 The Supplier shall not be obliged to provide manufacturing drawings for the Product.
- 4.6 If either party wants a modification of the technical specifications of the Product he shall submit his proposals in writing to the other party who shall respond in writing within 30 calendar days.

Article 5 Price, delivery, passing of risk

- 5.1 Price for the Product is these stipulated in the contract. Unless otherwise stated the price is exclusive of sales taxes, excise duties, VAT or similar taxes.
- 5.2 Should the purchase price, prices of resources and raw materials, wages, salaries, social contributions and charges by the authorities be subject to a price increase within three months after the date of the tender or order confirmation, including price increases due to exchange rate fluctuations, even if the above should occur due to circumstances that could be anticipated at the time of the tender or order confirmation, the Supplier shall have the right to increase the price accordingly.
- 5.3 Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the contract. If no trade term is specifically agreed the delivery shall be Ex Works (EXW).
- 5.4 If, in the case of delivery Ex Works, the Supplier, at the request of the Purchaser, undertakes to send the Product to their destination, the risk shall pass no later than at the time when the Product are handed over to the first carrier.
- 5.5 Unless otherwise agreed, partial shipments shall be permitted.

Article 6 Purchaser's obligations

- 6.1 The Purchaser is under the obligation to see to it that the Supplier is promptly provided with those components and such as are to be fitted to or incorporated into the Product to be manufactured by the Supplier, in the quantity as required by the Supplier, inclusive of an extra quantity of 10%, unless a different percentage has been agreed on in writing, and that they are delivered at our works postage paid. The Supplier does not accept any responsibility for the components and such provided to the Supplier in said manner and for their proper applicability.
- 6.2 The Supplier may assume without further inspection that the components and such can be fitted to or incorporated into the Product which the Supplier is instructed to manufacture, without further processing.

Article 7 Time for delivery - delay

- 7.1 Under all circumstances the Supplier shall be authorized:
 - a. to have the entire work or part thereof carried out by any third party under responsibility of the Supplier;
 - b. to appoint one or more persons to represent the Supplier in matters pertaining to said work.
- 7.2 The Supplier shall not be bound by orders or instructions directly given by the Purchaser or the latter's authorized agent to the staff of the Supplier or third parties working under the instructions of the Supplier, except after prior written consent by the Supplier.
- 7.3 If the Purchaser wishes to introduce changes in the order after the confirmation of the order, any cost already made by the Supplier, and any additional cost caused by that, as well as the amount of loss of profit and/or initial losses by the Supplier shall be borne by the Purchaser.
- 7.4 The delivery period is determined in the expectation that the Supplier will be able to continue working as anticipated at the time of the tender respectively order confirmation, and assuming that the information and components and such, required for the Production and/or delivery, as well as the approval(s) required from the Purchaser are supplied respectively given. If the information, components required and such should be supplied late, or cannot be properly fitted to or incorporated into the Product to be manufactured, and if this causes a stagnation of or decrease in production, the Supplier shall be authorized to pass the damage caused by this stagnation on to the Purchaser.
- 7.5 Delivery times quoted by the Supplier shall commence at that point in time at which the information, components and such, and approval(s) are in the possession of Supplier, and the Purchaser has met his obligations. If no time of delivery has been agreed on, work will be carried out with all due despatch after receipt of the above-mentioned information, components and such, and after approval(s) have been received by the Supplier, after which delivery will take place.
- 7.6 Without prejudice to that stipulated in these conditions the Supplier shall not be liable for damage caused by late delivery or our exceeding of the duration of the work until the Purchaser has declared the Supplier default in writing, in which case the Purchaser is to allow the Supplier a period of at least half the delivery time or duration of the work as originally agreed, in order to still meet the obligations.
- 7.7 If, after expiry of the delivery period, the Product has not been taken up by the Purchaser it shall be available for the Purchaser and shall be stored at his risk and expense. In that case the Supplier shall have the right, after having sent a notice of default to the Purchaser, to sell the Product for and on the Purchaser's behalf, subject to the obligation to pay the proceeds to the Purchaser, after deducting the claims receivable, including cost of storage and sale.
- 7.8 If delay in delivery is caused by any of the circumstances mentioned in Clause 12.2 or by an act or omission on the part of the Purchaser, including suspension under Clauses 10.3 or 13, the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time for delivery.
- 7.9 If the Product is not delivered at the time for delivery (as defined in Clauses 7.4 and 7.6 and 7.8), the Purchaser is entitled to liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each completed week of delay. The liquidated damages shall not exceed 5 per cent of the purchase price. If only part of the Product is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties. The liquidated damages become due at the Purchaser's demand in writing but not before delivery has been completed or the contract is terminated under Clause 7.10. The Purchaser shall forfeit his right to liquidated damages if he has not lodged a claim in writing for such damages within six months after the time when delivery should have taken place.
- 7.10 If the delay in delivery is such that the Purchaser is entitled to maximum liquidated damages under Clause 7.9 and if the Product is still not delivered, the Purchaser may in writing demand delivery within a final reasonable period which shall not be less than one week. If the Supplier does not deliver within such final period and this is not due to any circumstance for which the Purchaser is responsible, then the Purchaser may by notice in writing to the Supplier terminate the contract in respect of such part of the Product as cannot in consequence of the Supplier's failure to deliver be used as intended by the parties. If the Purchaser terminates the contract he shall be entitled to compensation for the loss he has suffered as a result of the Supplier's delay. The total compensation, including the liquidated damages which are payable under Clause 7.9, shall not exceed 10 per cent of that part of the purchase price which is attributable to the part of the Product in respect of which the contract is terminated. The Purchaser shall also have the right to terminate the contract by notice in writing to the Supplier, if it is clear from the circumstances that there will occur a delay in delivery which, under Clause 7.9 would entitle the Purchaser to maximum liquidated damages. In case of termination on this ground, the Purchaser shall be entitled to maximum liquidated damages and compensation under the third paragraph of this Clause 7.10.
- 7.11 Liquidated damages under Clause 7.9 and termination of the contract with limited compensation under Clause 7.10 are the only remedies available to the Purchaser in case of delay on the part of the Supplier. All other claims against the Supplier based on such delay shall be excluded, except where the Supplier has been guilty of gross negligence. In these General Conditions gross negligence shall mean an act or omission implying either a failure to pay due regard to serious consequences, which a conscientious supplier would normally foresee as likely to ensue, or a deliberate disregard of the consequences of such act or omission.
- 7.12 If the Purchaser anticipates that he will be unable to accept delivery of the Product at the delivery time, he shall forthwith notify the Supplier in writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery. If the Purchaser fails to accept delivery at the delivery time, he shall nevertheless pay any part of the purchase price which becomes due on delivery, as if delivery had taken place. The Supplier shall arrange for storage of the Product at the risk and expense of the Purchaser. The Supplier shall also, if the Purchaser so requires, insure the Product at the Purchaser's expense.
- 7.13 Unless the Purchaser's failure to accept delivery is due to any such circumstance as mentioned in Clause 12.2, the Supplier may by notice in writing require the Purchaser to accept delivery within a final reasonable period.
- 7.14 If, for any reason for which the Supplier is not responsible, the Purchaser fails to accept delivery within such period, the Supplier may by notice in writing terminate the contract in whole or in part. The Supplier shall then be entitled to compensation for the loss he has suffered by reason of the Purchaser's default. The compensation shall not exceed that part of the purchase price which is attributable to that part of the Product in respect of which the contract is terminated.

Article 8 Mould

- 8.1 The Purchaser shall be under the obligation to pay the Supplier 50% of the manufacturing cost at the time at which the order to manufacture a mould is given. Only after said payment the Supplier shall commence manufacturing the mould. Likewise, the Supplier shall not be obliged to commence modifications, improvement or repairs of the mould until the price of that has been paid in accordance with our payment arrangements. If no specific price has been agreed for the work, the Purchaser shall pay the Supplier an advance to the cost to be determined by the Supplier, and at first request of the Supplier. The remaining manufacturing cost are to be paid at the time of having the first test products out of the mould.
- 8.2 The Supplier is not under the obligation to start production of the Product to be manufactured until after the mould has been completed, and any test series or test models provided by the Supplier have been released for mass production (=approved of) by the Purchaser, and after the Purchaser has informed the Supplier of that in writing. The test series or test model released in that manner shall be a reference to the parties for quality control and in the event of any claims submitted against the Supplier by the Purchaser regarding complaints, liability due to improper performance under the contract, guarantee, and such.
- 8.3 The Supplier shall not be under the obligation to deliver the Product manufactured until the Purchaser has effected the payment of the entire manufacturing cost of the mould.
- 8.4 The mould manufactured by the Supplier shall be held in trust by the Supplier as keepers ("houderschap") as referred to in articles 3:107 et seq. Dutch Civil Code, even after the Purchaser has paid the entire manufacturing cost, and irrespective of the question whether the mould will (still) be used for production purposes, or whether it has been paid for by the Purchaser. If the Purchaser supplies the mould to the Supplier this mould is likely to be modified by the Supplier for optimisation reasons and will be held in trust by the Supplier as stated above for a mould manufactured by the supplier. Except after the Purchaser's written consent the Supplier shall not be entitled to use the mould for any third parties.
- 8.5 Unlike that stipulated in Clause 8.4, the Supplier is under the obligation to provide the mould with any accompanying drawings, tools and such to the Purchaser at the latter's first request to that effect, if the Supplier:
 - a. has not been able to meet the delivery times agreed on, and have been declared in default due to that;
 - b. has supplied Product of a lesser quality as described in Clause 8.2, and has been declared in default due to that;
 - c. has been declared bankrupt;
 - d. has introduced a price increase that does not conform to the market, without prejudice to that stipulated in clause 5.2.In the above circumstances therefore, our position of keeper shall be terminated.
- 8.6 The Supplier shall store the mould until deliveries under the contract have been completed. The mould belonging to the Purchaser which remains in the Supplier's care after deliveries under the contract have been completed, shall be stored by the Supplier at the Purchaser's risk and expense.
- 8.7 The Supplier shall, at the Purchaser's request, insure the mould in his care which are the Purchaser's property. The Purchaser shall reimburse the Supplier the cost of such insurance.

- 8.8 The Supplier shall not be responsible for loss of or damage to the mould, except in cases of intent, gross negligence or very improper use on part of the Supplier. In those cases the mould will be repaired or replaced at the option of the Supplier. The Supplier shall not be under any further obligations and shall not be obliged to pay any damages, not in case of fire, theft, destruction, loss and such either.
- 8.9 Unless otherwise agreed, the mould provided by the Supplier to be used exclusively in fulfillment of the contract, shall be paid by the Purchaser and shall when fully paid, become his property. The Supplier shall clearly mark the mould belonging to the Purchaser. The mould provided by the Purchaser, shall remain the Purchaser's property. The Purchaser shall pay the Supplier for any work necessary to adapt or supplement such mould.
- 8.10 Where according to the contract, the Supplier shall provide the mould, the Purchaser shall reimburse the Supplier's costs for replacement or repair of these due to normal wear and tear or other causes for which the Supplier is not responsible.
- 8.11 As long as a mould is considered technically usable, and is in the possession of the Supplier, the cost of maintenance are borne by the Supplier in case of regular repeat orders.
- 8.12 The Purchaser shall bear the risk and expense of all transport of the mould to and from the Supplier.
- 8.13 The Purchaser shall indemnify and hold the Supplier harmless against all claims based on infringement of patents, design patents, trademarks or other property rights, where such claims result from the manufacture of the Products by using a specification, drawing, sample or mould provided by the Purchaser.
- 8.14 All the Supplier's obligations regarding the mould shall finally cease three years after the deliveries under the contract have been completed. Where practicable, the Supplier shall inform the Purchaser before disposing the mould.

Article 9 Reservation of ownership and retention

- 9.1 The Product shall remain the property of the Supplier until paid for in full to the extent that such retention of title is valid under the applicable law. The Purchaser shall at the request of the Supplier assist him in taking any measures necessary to protect the Supplier's title to the Product in the country concerned. The retention of title shall not affect the passing of risk under Clause 5.
- 9.2 If the Supplier has products of the Purchaser in trust, the Supplier shall have the right to keep said products in trust in order to settle any cost the Supplier has had to incur for the execution of orders for that same Purchaser, or damage incurred in that, provided that the connection between the claims of the Supplier and the obligation to surrender said goods is sufficient, and the Purchaser has failed to provide sufficient security for those cost. The Supplier shall also have the right to keep those goods in trust in case the Purchaser has been declared bankrupt, or has applied for a suspension of payment.

Article 10 Payment

- 10.1 Payment is to be effected within 30 days after the invoice date, net, without any deduction or settlement of debts, through our bank or giro account. Split deliveries are charged separately by us, and these separate invoices are to be paid within the above period also.
- 10.2 Whatever the means of payment used, payment shall not be deemed to have been effected before the Supplier's account has been fully and irrevocably credited.
- 10.3 If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due, as well as all judicial and extra judicial costs in connection with the claim. The rate of interest shall be as agreed between the parties. If the parties fail to agree on the rate of interest, it shall be 8 percentage points above the rate of the main refinancing facility of the European Central Bank in force on the due date of payment. The extra judicial costs of collection have been determined to be 15% of the principal amount and interest, or the collection rate of the Netherlands Bar Association as applicable at that point in time. In case of late payment the Supplier may, after having notified the Purchaser in writing, suspend his performance of the contract until he receives payment. If the Purchaser has not paid the amount due within three months the Supplier shall be entitled to terminate the contract by notice in writing to the Purchaser and to claim compensation for the loss incurred. The compensation shall not exceed the agreed purchase price.
- 10.4 The Purchaser shall be in default without any required notice of default by the mere expiry of the term of payment, and in case of (an application for) bankruptcy or suspension of payment, legal restraint, wardship and liquidation.
- 10.5 During the duration of the contract the Purchaser shall always have the right to demand from the Supplier adequate security by means of a bank guarantee to be submitted, or full payment in advance, for all that which the Supplier can claim from the Purchaser at any point in time, including damage, not only under current contracts, but outstanding claims also. The Supplier shall have the right to suspend the execution of the work until the security required is given. If the request to provide security is not met within three months after said request, the Purchaser shall be in default without further notice, and the Purchaser shall have the right to consider the order terminated. The Purchaser shall be liable for all the cost of the Supplier and damage caused by the order and its suspension or termination.
- 10.6 Payments made by the Purchaser shall always serve as payment of any interest and cost due, and after that, of the earliest, outstanding invoices, even if the Supplier should state that the payment is made to settle a later invoice.
- 10.7 From the day at which the Purchaser is in default, all our other claims against the Purchaser, in particular in case of delivery by means of various shipment, shall fall due forthwith.

Article 11 Indemnification by the Purchaser

- 11.1 In case of Product to be manufactured according to drawings, samples, models or other instructions in the broadest sense, received by the Supplier from the Purchaser, or from the Purchaser through third parties, the Purchaser shall guarantee that the manufacturing of said articles will not result in any infringement on any patent, trade mark and/or rights of use, trade models or any other rights of a third party, and the Purchaser shall indemnify the Supplier against any claims resulting from that.
- 11.2 If a third party should object to the production and/or delivery on the basis of any alleged right as referred to above, the Supplier shall be entitled without further obligations and exclusively on the basis of said objection, to suspend production and/or delivery forthwith, and to demand from the Purchaser a compensation for the cost incurred, irrespective of our claims for any further damages, without being under the obligation to pay any damages to the Purchaser. The Supplier is under the obligation to notify the Purchaser if any third party should object against the production and/or delivery of goods intended for said Purchaser.

Article 12 Unfeasibility of the order/suspension/force majeure

- 12.1 If, after a contract has been entered into, said contract cannot be fulfilled by us due to circumstances that were not known to us at the time at which the contract was entered into, we shall have the right to demand that the contents of the contract are changed in such a way that execution will still be possible. The changed execution is charged as additional work / work reduced.
- 12.2 Either party shall be entitled to suspend performance of his obligations under the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power ys in deliveries by sub-contractors caused by any such circumstance referred to in this Clause. A circumstance referred to in this Clause whether occurring prior to or after the formation of the contract shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the formation of the contract.
- 12.3 The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance. If Force Majeure prevents the Purchaser from fulfilling his obligations, he shall compensate the Supplier for expenses incurred in securing and protecting the Product.
- 12.4 Regardless of what might otherwise follow from these General Conditions, either party shall be entitled to terminate the contract by notice in writing to the other party if performance of the contract is suspended under Clause 12.2 for more than six months.
- 12.5 If the Supplier has fulfilled part of its obligations, he shall be entitled to a proportionate part of the price agreed on the basis of work already carried out and cost incurred.

Article 13 Anticipated non-performance

- 13.1 Notwithstanding other provisions in these General Conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the contract shall forthwith notify the other party thereof in writing.

Article 14 Liability for defects

- 14.1 Pursuant to the provisions of Clauses 14.2-14.16 inclusive, the Supplier shall remedy any defect or nonconformity (hereinafter termed defect(s)) resulting from faulty design, materials or workmanship.
- 14.2 The Supplier's liability is limited to defects which appear within a period of one year from delivery. If the daily use of the Product exceeds that which is agreed, this period shall be reduced proportionately.
- 14.3 When a defect in a part of the Product has been remedied, the Supplier shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of one year. For the remaining parts of the Product the period mentioned in Clause 14.2 shall be extended only by a period equal to the period during which the Product has been out of operation as a result of the defect.
- 14.4 The Purchaser shall without undue delay notify the Supplier in writing of any defect which appears. Such notice shall under no circumstance be given later than two weeks after the expiry of the period given in Clause 14.2. The notice shall contain a description of the defect. If the Purchaser fails to notify the Supplier in writing of a defect within the time limits set forth in the first paragraph of this Clause, he loses his right to have the defect remedied. Where the defect is such that it may cause damage, the Purchaser shall immediately inform the Supplier in writing. The Purchaser shall bear the risk of damage resulting from his failure so to notify.
- 14.5 On receipt of the notice under Clause 14.4 the Supplier shall remedy the defect without undue delay and at his own cost as stipulated in Clauses 14.1-14.16 inclusive. Repair shall be carried out at the place where the Product is located unless the Supplier deems it appropriate that the defective part or the Product is returned to him for repair or replacement. The Supplier is obliged to carry out dismantling and re-installation of the part if this requires special knowledge. If such special knowledge is not required, the Supplier has fulfilled his obligations in respect of the defect when he delivers to the Purchaser a duly repaired or replaced part.
- 14.6 If the Purchaser has given such notice as mentioned in Clause 14.4 and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs he has incurred as a result of the notice.
- 14.7 The Purchaser shall at his own expense arrange for any dismantling and reassembly of equipment other than the Product, to the extent that this is necessary to remedy the defect.
- 14.8 Unless otherwise agreed, necessary transport of the Product and/or parts thereof to and from the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Supplier. The Purchaser shall follow the Supplier's instructions regarding such transport.
- 14.9 Unless otherwise agreed, the Purchaser shall bear any additional costs which the Supplier incurs for repair, dismantling, installation and transport as a result of the Product being located in a place other than the destination stated in the contract or - if no destination is stated - the place of delivery.
- 14.10 Defective parts which have been replaced shall be made available to the Supplier and shall be his property.
- 14.11 If, within a reasonable time, the Supplier does not fulfil his obligations under Clause 14.5, the Purchaser may by notice in writing fix a final time for completion of the Supplier's obligations. If the Supplier fails to fulfil his obligations within such final time, the Purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the Supplier. Where successful remedial works have been undertaken by the Purchaser or a third party, reimbursement by the Supplier of reasonable costs incurred by the Purchaser shall be in full settlement of the Supplier's liabilities for the said defect.
- 14.12 Where the defect has not been successfully remedied, as stipulated under Clause 14.11,
- a. the Purchaser is entitled to a reduction of the purchase price in proportion to the reduced value of the Product, provided that under no circumstance shall such reduction exceed 15 per cent of the purchase price, or
- b. where the defect is so substantial as to significantly deprive the Purchaser of the benefit of the contract, the Purchaser may terminate the contract by notice in writing to the Supplier. The Purchaser is then entitled to compensation for the loss he has suffered up to a maximum of 15 per cent of the purchase price.
- 14.13 The Supplier is not liable for defects arising out of materials provided, or a design stipulated or specified by the Purchaser.
- 14.14 The Supplier is liable only for defects which appear under the conditions of operation provided for in the contract and under proper use of the Product. The Supplier's liability does not cover defects which are caused by faulty maintenance, incorrect erection or faulty repair by the Purchaser, or by alterations carried out without the Supplier's consent in writing. Finally the Supplier's liability does not cover normal wear and tear or deterioration.
- 14.15 Notwithstanding the provisions of Clauses 14.1-14.14 the Supplier shall not be liable for defects in any part of the Product for more than two years from the beginning of the period given in Clause 14.2.
- 14.16 Save as stipulated in Clauses 14.1-14.16, the Supplier shall not be liable for defects. This applies to any loss the defect may cause including loss of production, loss of profit and other indirect loss. This limitation of the Supplier's liability shall not apply if he has been guilty of gross negligence as defined in Clause 7.11.

Article 15 Allocation of liability for damage caused by the Product

- 15.1 The Supplier shall not be liable for any damage to property caused by the Product after it has been delivered and whilst it is in the possession of the Purchaser. Nor shall the Supplier be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's products form a part. If the Supplier incurs liability towards any third party for such damage to property as described in the preceding paragraph, the Purchaser shall indemnify, defend and hold the Supplier harmless. If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof in writing. The Supplier and the Purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product. The limitation of the Supplier's liability in the first paragraph of this Clause shall not apply where the Supplier has been guilty of gross negligence as defined in Clause 7.11.

Article 16 Consequential losses

- 16.1 Save as otherwise stated in these General Conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other consequential or indirect loss whatsoever.

Article 17 Applicable law and jurisdiction

- 17.1 All contracts entered into with us shall be governed by Dutch law. International (purchase) treaties shall not apply, unless mandatory legal provisions determine otherwise or if the applicability of one or more of these treaties has been agreed in writing.
- 17.2 Any disputes between the Supplier and the Purchaser will exclusively be judged by the competent judge in the district of Breda in the Netherlands, unless legal provisions determine otherwise.