

GENERAL CONDITIONS KIT

A. GENERAL PROVISIONS

1. Definitions

- 1.1 In these general conditions (“Conditions”) the following terms shall have the meanings listed below:
- (a) Agreement: any agreement entered into with the Other Party, any amendment or supplement thereto or any additional arrangement, and also any (legal) acts performed for the preparation and/or execution of that agreement;
 - (b) Completion: the time and the manner in which any performance of the Other Party should take place on the basis of the Agreement;
 - (c) Fault: any deviation of the Products or Services from the Specifications and any improper functioning of the Products or any other Service not provided correctly;
 - (d) KIT: the association with full legal capacity Royal Tropical Institute (“*Koninklijk Instituut voor de Tropen*”), established in Amsterdam, and its possible successors by universal title or by singular title;
 - (e) Other Party: any natural or legal person with whom KIT enters into an Agreement or into talks or conducts negotiations on the entering into an Agreement;
 - (f) Products: any goods supplied or to be supplied to KIT for the purpose of executing an Agreement, regardless of whether the Agreement only covers the supply of those goods and products or (also) the performance of Services;
 - (g) Services: any activities (in whatever form and by whatever name, such as commission, contracting of work, lending, consultancy, etc.) performed by the Other Party for or for the benefit of KIT, either or not in connection with the supply of Products;
 - (h) Specifications: the description of the Products or Services ordered from the Other Party, which is stated or referred to in the Agreement, in default of which the description shall be what is generally common between parties or, in default thereof, in the line of business. In respect of consultancy performed by the Other Party the Specifications shall comprise the terms of reference, as agreed upon between parties;
 - (i) Work: the work to be carried out by the Other Party.

2. Applicability and voidability

- 2.1 Save insofar any other general conditions of KIT specifically aimed at the nature of the agreement at hand are applicable, also in view of the nature of the performances agreed upon or to be agreed upon, these Conditions shall be part of all Agreements and these Conditions shall apply to any (other) actions and legal acts between KIT and the Other Party, also if those (legal) acts were not to result in, or be connected to, an Agreement.
- 2.2 Specific parts of the Conditions in the Agreement may be rendered inoperative by specifically stating this, by referring to the relevant provisions.
- 2.3 The general provisions of these Conditions are applicable to all Agreements, legal acts and (other) actions between KIT and the Other Party. The other provisions of these Conditions are applicable insofar as the legal relationship between KIT and the Other Party qualifies as a legal relationship that complies with the purport in the relevant provisions. Several sections of these Conditions may apply cumulatively to the legal relationship between KIT and the Other Party. If the relevant legal relationship generally has the characteristics of one of the sections of these Conditions, the

provisions of that department, insofar as there are any inconsistencies, shall prevail over the other sections.

- 2.4 These Conditions are applicable to any subsequent agreement between KIT and the Other Party that is concluded after any Agreement to which these Conditions were applicable, with the exception of the general conditions of the Other Party.
- 2.5 Unless expressly agreed upon otherwise in writing, KIT always excludes any Agreements in order to obtain rights for its own benefit, and also for the benefit of any of its operating companies and group companies existing at any time. Also in the event that the group or operating companies of KIT enter into agreements with the Other Party in their own name, these Conditions shall apply, unless the operating company or group company concerned and the Other Party agreed upon otherwise in writing.
- 2.6 The applicability of the general conditions of the Other Party is expressly rejected by KIT.
- 2.7 The provisions of these Conditions shall not be applicable insofar as they are in conflict with the applicable provisions under mandatory law. Should any provision in these Conditions be void or unenforceable, this will not affect the validity of the remaining provisions in these Conditions and the Agreement.
- 2.8 Unless any provision expressly states the contrary, third parties shall not accede to any Agreement between KIT and the Other Party.

3. Amendments and supplements

- 3.1 Amendments and supplements to any provision in an Agreement and/or the Conditions may only be agreed upon in writing. This counts as an agreement regarding burden of proof and evidence to the contrary of the provisions in this article is not permitted.
- 3.2 In the event that an amendment and/or supplement as implied by paragraph 1 is agreed upon, this amendment or supplement shall only apply to the Agreement concerned.

4. Corporate social responsibility and code of conduct

- 4.1 KIT and the Other Party seek to observe – and have their suppliers and other commercial partners observe – general principles of corporate social responsibility. More specifically, the Other Party guarantees that, to the best of its knowledge, no human rights are violated by it or by its suppliers, no child labour is performed, no tropical hardwood is processed in products supplied to KIT (save insofar as provided with a Forest Stewardship Council certificate), no animal products prohibited in any relevant jurisdiction shall be processed and no environmental or safety regulations shall be breached. KIT and the Other Party aim for an internal organisation in which no discrimination takes place on the grounds of religious belief, sex, sexual orientation, race or ethnical or otherwise relevant origin and in which terms of employment and working conditions are used that meet all relevant national legislation and international standards. If so requested, the Other Party shall notify KIT on all matters and standards referred to in this article.
- 4.2 The Other Party declares that it is familiar with the Code of Conduct for KIT, and undertakes to comply with the standards laid down in the Code of Conduct. KIT may alter this Code of Conduct from time to time and the Other Party shall also comply with the altered Code of Conduct, unless it declares within 3 months after the altered version has taken effect and it has been informed on this matter that it cannot comply with it on reasonable grounds, in which case KIT shall be entitled to cancel the Agreement without being bound to pay any form of compensation.

5. Confidentiality

- 5.1 The Other Party, its staff and the third parties engaged by it are bound to observe strict confidentiality in respect of all information relating to KIT that it may obtain in connection with the Agreement or the execution thereof, such including the nature, the reason and the result of the activities carried out, unless (i) this information is generally available or becomes generally available thereafter other than through non-compliance with these restrictions, (ii) KIT explicitly gives the Other Party permission to use this information without having to observe strict confidentiality for this purpose, or (iii) this information was developed by the Other Party independently of that information or jointly with KIT. The duty to observe secrecy shall be effective until the Agreement has been executed.
- 5.2 The Other Party shall ensure that its staff and the third parties engaged by it are bound by a confidentiality agreement comprising the provisions in article 1.

6. Timely execution

- 6.1 The agreed term in which the Agreement must be executed by the Other Party is of essential interest to KIT. The Other Party shall be in default through merely exceeding the dates agreed upon with KIT on which performances must be rendered. For the purpose of this provision, a performance with a Fault shall be equivalent to a performance not rendered.
- 6.2 The term of execution shall commence on the date that the Other Party has accepted the Agreement or – if sooner – on the date that the Other Party has at its disposal the information, models, materials or resources to be supplied by KIT under the Agreement that the Other Party absolutely needs, on which it has notified KIT, to commence the execution of the Agreement.
- 6.3 In the event that the agreed term is exceeded, KIT may impose a penalty on the Other Party in the amount of 0.5% of the amount of the Agreement per day, with a maximum of 20%, in addition to and without prejudice to the other rights of KIT on the basis of the law or the Agreement, including the right to demand compliance and the right to full damages.
- 6.4 In the event that an agreed term is exceeded, KIT may oblige the Other Party to immediately repay to KIT any (pre)payments or guaranteed amounts already received by it under the Agreement without the Other Party being entitled to set off these amounts against any claims on KIT accruing to it or alleged by it. From the date of the excess the Other Party shall owe statutory interest on the amounts to be repaid.

7. Execution according to Specifications; additional work and contract reductions

- 7.1 The Other Party guarantees that it, its staff and any third parties engaged by it shall act on the premises and in the buildings of KIT in accordance with the prevailing regulations and rules of conduct, such as pertaining to security, safety, health, information security, privacy and ICT facilities and follow the instructions and guidelines given in view thereof and sign the necessary statements to that end. The Other Party shall always actively request KIT to be notified on those regulations and rules of conduct, and shall duly inform its staff and/or the third parties engaged by it on these matters.
- 7.2 KIT is entitled to alter the Specifications before or during the execution of the Agreement, or demand the additional supply of Products and/or expansion of the Services after the execution of the Agreement.
- 7.3 The Other Party declares to be willing in advance, insofar as it is technically able to do so, to execute the Agreement mentioned in paragraph 2 and/or to supply Products and/or provide Services under the same conditions and rates.

- 7.4 If the performances to be rendered by the Other Party by reason of the alteration are demonstrably reduced, there are contract reductions. In case of contract reductions KIT shall give a binding decision on a reasonable reduction of the remuneration due.
- 7.5 If as a result of the alterations referred to in paragraph 2 the performances to be rendered by the Other Party under the Agreement are made considerably more arduous or expanded, there is additional work for which the Other Party will receive remuneration. Additional work shall not include any additional activities that the Other Party might and should have anticipated when he accepted the Agreement. If the Other Party thinks that it is entitled to a remuneration for additional work it shall issue an offer with regard to the amount of the additional work anticipated by it as a result of this alteration and the costs for KIT connected thereto. The Other Party shall not commence the execution of additional work before he has expressly been commissioned by KIT in writing. KIT is not obliged to pay for additional work that KIT has not expressly commissioned.
- 7.6 In the event of additional work or contract reductions the date of delivery of the Products and/or the providing of the Services shall be re-established in reasonable consultation.
- 7.7 If and as long as no agreement is reached on the terms of the additional work, the Other Party, if KIT so desires, shall be provisionally bound to execute the Agreement in accordance with the Specifications altered by KIT.

8. Liability, force majeure and indemnification

- 8.1 The Other Party shall execute the Agreement entirely for its own risk. Any damage suffered by KIT or by third parties as a result of or in connection with the execution of the Agreement shall be compensated by the Other Party, regardless of whether such damage was caused by the Other Party itself, by its staff or by other natural or legal persons engaged by the Other Party in the execution of the Agreement.
- 8.2 With regard to possible shortcomings in performances to be rendered by KIT, KIT is entitled at all times, at its own discretion, to repair the relevant shortcomings or to return the part of the price that is connected to the relevant shortcoming. Any additional responsibility and liability of KIT is excluded. Insofar as KIT is nonetheless held to pay damages, this obligation shall be limited to compensation of direct damage and to the amount of the contract amount. Any liability of KIT to compensate any form of indirect damage, including (but not limited to) consequential loss, trading loss, anticipated loss or loss to one's reputation, loss of third parties, loss of sales or profits or data, is excluded. All these limitations of the obligation of KIT to pay compensation do not apply if caused by intent or wilful recklessness on the part of KIT or persons belonging to its highest management.
- 8.3 Save in the case of a non-attributable shortcoming ("*force majeure*") the Other Party is fully liable for all damage that KIT or third parties may suffer as a result of any Faults in Products supplied and/or Services provided.
- 8.4 Force majeure shall at any rate not include: the failure to fulfil a guarantee, lack of staff, strikes, illness of staff, delayed delivery and/or unfitness of materials, raw materials, attributable shortcoming or unlawful acts by suppliers or third parties engaged by the Other Party and/or liquidity and/or solvency problems on the side of the Other Party. Nor is there *force majeure* if the Other Party itself is unable to render the performance, but such a performance can be rendered by a third party. In that case the Other Party will have the performance rendered by that third party for the account of the Other Party.
- 8.5 The provisions in paragraphs 1 and 3 of this article serve as a clause also for the benefit of injured third parties as stated therein. The Other Party shall indemnify KIT in this matter against any claims brought by these third parties against KIT.

- 8.6 The Other Party insured itself adequately and shall continue to be insured adequately against statutory and professional liability. The Other Party undertakes – immediately upon receiving the notice of default from KIT – to assign all claims in this matter regarding distribution(s) of insurance payments at the first request of KIT.

9. Dissolution

- 9.1 If the Other Party fails to properly execute the Agreement or exceeds a term in the execution of an Agreement, it is established in the opinion of KIT that the Other Party will not or not properly execute the Agreement, or if KIT in its reasonable opinion fears that the Other Party will not duly and properly execute the Agreement, KIT, without prejudice to its other rights, is entitled to wholly or partially dissolve the Agreement without any notice of default by giving notice to the Other Party.
- 9.2 In the event of a (preliminary) suspension of payments, bankruptcy, cessation or liquidation of the company of the Other Party or (with a natural person) upon his death, or in case of a legal merger of the Other Party, or if a substantial part of the control with the Other Party falls in different hands, KIT is entitled to dissolve the Agreement.
- 9.3 If KIT dissolves the Agreement, the Other Party must immediately repay all payments received by it as being unduly paid to the Other Party. To the extent that the performances already rendered by the Other Party at the time of the dissolution is not subject to undoing the value of the performance by the Other Party will be fixed at nil. To the extent that undoing is possible, KIT is entitled to either retain the performance at its option at a reasonable compensation to be determined by KIT or return it to the Other Party for its account and risk.
- 9.4 Dissolution as referred to in paragraph 1 or 2 shall not have the effect that the rights of KIT, which in the reasonable opinion of KIT are intended according to their nature to also remain in force after the dissolution, shall end.
- 9.5 If KIT in reasonableness thinks, on the basis of the circumstances known to it at that time, that it can exercise a right of suspension, dissolution or avoidance, KIT shall not be obliged to pay the statutory interest, in the case it should be established later that it has not exercised the aforesaid rights in a legally valid manner.
- 9.6 Notwithstanding its further rights, KIT is entitled to charge to the Other Party all judicial and extrajudicial costs, costs of legal assistance included (also insofar as they exceed the amount awarded by the court), incurred or to be incurred by KIT in collecting any amounts due or in obtaining fulfilment of any obligation by the Other Party.
- 9.7 Each right of suspension and dissolution of the Other Party is excluded.

10. Applicable law, competent court

- 10.1 All Agreements and all disputes arising from these Agreements are subject to the law of the Netherlands. The applicability of the 1980 Vienna Sales Convention (CISG) is excluded.
- 10.2 To the extent that prevailing national or international rules of law do not mandatorily prescribe otherwise, all disputes between parties shall in the first instance be exclusively brought before the competent court in Amsterdam, without prejudice to the right of KIT to bring the dispute before the court otherwise competent pursuant to national or international rules of law instead.

B. PURCHASE OF PRODUCTS AND SERVICES

This section includes specific provisions for all Agreements whereby KIT purchases Products and/or Services from the Other Party as buyer. To the extent that it is contrary to the general provisions of these Conditions, the provisions in this section shall prevail.

11. Supply and acceptance

- 11.1 All offers and requests to make an offer by KIT are subject to confirmation. Insofar as the Other Party responds to a request to make an offer by an offer that to a limited extent differs from the request, those deviations shall not be part of the Agreement and the Agreement shall be formed in accordance with KIT's offer. An offer that essentially differs from the request shall be an offer not made and shall not result in an agreement, even if KIT fails to reject it explicitly. Any implementing acts on the part of KIT shall not result in an agreement, and may be reclaimed by KIT as being unduly made.
- 11.2 Within five working days after the Agreement has come about KIT is entitled to cancel the Agreement via a written statement to that effect to the Other Party, without being held to pay any compensation. After five working days, but until the time that the Other Party has fully executed the Agreement, KIT is entitled to cancel the agreement against compensation of the costs already demonstrably incurred by the Other Party for the execution of the Agreement.
- 11.3 Offers and quotations by the Other Party are fixed and binding and may not be changed before or after the formation of the Agreement, unless they pertain to an (extra) discount (possibly granted in the mean time) by the Other Party.
- 11.4 If a tender procedure is organised by KIT, the Other Party is obliged to carefully check all documents thereof for inconsistencies and/or inaccuracies and the Other Party must immediately inform KIT on all inconsistencies and/or inaccuracies found or alleged, in default of which all rights of the Other Party with regard to those inconsistencies and/or inaccuracies found or alleged have lapsed. KIT is not obliged to continue a tender procedure already started and may at any desired time decide to cease the procedure, without there being any right to compensation of costs or damage.

12. Prices, VAT, payment and settlement

- 12.1 All rates used by the Other Party are fixed, expressed in Euros and exclusive of turnover tax, unless parties have agreed otherwise in writing. Agreed rates may never be increased during the term of the Agreement.
- 12.2 All rates of Products are based on supply on the basis of DDP (Incoterms), including an ****ade**. The rates of Services shall at all times include all travel and accommodation costs as well as all other costs. In addition, the rates of all Products and Services shall include all the preparatory and other work necessary to meet the requirements, descriptions and the Specifications set by KIT.
- 12.3 The Other Party indemnifies KIT against any costs incurred and damage suffered by KIT arising from the fact that:
- (a) the Other Party has not been properly registered for turnover tax in a relevant EC member state or abroad; and/or
 - (b) the Other Party furnishes incorrect or untimely data to KIT and/or the authorities in the field of turnover tax in a relevant EC member state or abroad.
- 12.4 KIT shall not owe any payment before full and correct execution of the Agreement. Only after the full and correct execution of the Agreement shall the Other Party send an invoice, which shall be paid by KIT within thirty days upon receipt. The invoice shall contain at least a description of the performance(s) rendered and the order number (if applicable). In case of untimely payment KIT shall also owe, in addition to the outstanding amount, interest in the amount of the statutory interest, but only upon receipt of a written demand letter, specifying a reasonable term for payment.
- 12.5 KIT is entitled to set off any claim of the Other Party against it (or any group or operating company of KIT) against any claim of KIT (or any group or operating company of KIT), regardless of what reason and either or not due and payable by the Other Party.

13. Outsourcing

- 13.1 The Other Party is obliged to execute the Agreement itself, unless KIT has consented in writing to the outsourcing, subcontracting or purchasing from third parties, or has ordered to do so in writing.
- 13.2 The Other Party is fully responsible for any contribution by third parties to the execution of the Agreement, as if it pertained to its own performance.
- 13.3 The Other Party indemnifies KIT against any claims of third parties engaged in the execution of the Agreement.

14. Postponement of delivery

- 14.1 KIT is entitled to postpone the delivery of ordered Products and/or the execution of Services ordered via a written statement for that purpose to the Other Party for a period of no more than sixty calendar days.
- 14.2 If KIT uses the right referred to in paragraph 1, the Other Party shall store and insure the Products separately in a suitable location for the benefit of KIT and take appropriate measures to prevent loss of quality. KIT shall then be obliged to pay to the Other Party a reasonable remuneration for the costs of such storage, measures and insurance.

15. Quality guarantee

- 15.1 The Other Party is obliged to execute the Agreement promptly according to the Specifications and otherwise with due observance of the requirements of excellent craftsmanship.
- 15.2 The Other Party guarantees the reliability of the Products and/or Services provided by it. This guarantee at least comprises that:
- (a) the Products and/or Services are suitable for the specific purpose for which KIT entered into the Agreement, insofar as the Other Party was aware of that purpose or could have been aware of it through timely enquiry with KIT;
 - (b) the Products are new, of good quality, and flawless as regards design, treatment, fabrication, construction and dimensioning, and are free from Faults in the materials used and the provides the safety (within the meaning of article 6:186 Netherlands Civil Code) that might be expected;
 - (c) the Products have been manufactured in conformity with the latest state-of-the-art;
 - (d) the Products are completely in accordance with the Specifications and with possible samples, models and drawings as regards quantity, description, quality and performance;
 - (e) all applicable national and international regulations with regard to the Products, the packing thereof and/or the Services were strictly observed;
 - (f) the Products and/or Services otherwise meet the requirements that can be reasonably set and also owns all other properties that KIT may reasonably expect.
 - (g) the Products have been provided with accurate manuals and instructions with respect to maintenance and assembly.
 - (h) With regard to the Products during the technical life all necessary spare parts are available on demand.
- 15.3 Products shall at any rate be considered improper within the meaning of the previous paragraph if Faults are found within two years upon delivery, unless the Other Party demonstrates that these are due to ordinary wear and tear or can be imputed to KIT.

- 15.4 The aforesaid guarantee implies, without limiting the rights of KIT to compensation of costs, damage and interest, that the Faults found within two years upon delivery are immediately and fully repaired by the Other party at no cost and at the first request of KIT, if necessary through replacement of the Products or parts thereof, or through again providing the relevant Services.
- 15.5 Repairs shall at all times take place on site, unless this is impossible. If repairs cannot take place within the term specified by KIT and/or on site, the Other Party shall take care of the transportation from and to the location fit for repairs for its own account and risk. At the first request of KIT the Other Party shall provide a suitable replacement free of charge during the period needed for repairs.
- 15.6 After the Faults have been repaired a new guarantee period shall commence as described in paragraph 3 and the Other Party guarantees in respect of the Products replaced or repaired the reliability as described in paragraph 2.
- 15.7 KIT is entitled at all times to carry out preliminary repairs for the account of the Other Party, if it reasonably deems such repairs necessary. The Other Party is only entitled to not pay KIT's costs if it demonstrates that it was not duly informed on the relevant Faults and, if it had been duly informed, it would have repaired the Faults at least as quickly.

16. Inspection before delivery

- 16.1 KIT is entitled at all times to inspect Products before delivery during the treatment, fabrication or storage. The Other Party shall allow KIT or the expert to be appointed by KIT to do so without any restriction, and provide the necessary facilities and assistance to this end.
- 16.2 KIT shall duly inform the Other Party on the tests to be performed by KIT. The Other Party is entitled to attend these tests or have them attended by an expert to be appointed by it.
- 16.3 Regardless of whether KIT used its rights by reason of the provisions in the two previous paragraphs of this article, regardless of the outcome of the inspections and tests referred to therein, and regardless of what KIT notifies to the Other Party on this matter, the Other Party shall itself remain fully responsible for the proper execution of the Agreement.

17. Delivery carriage paid

- 17.1 Ordered Products must be delivered DDP (Incoterms), carriage paid at the destination specified by KIT. The Other Party is obliged to ensure proper packing in conformity with all prevailing regulations, and also the security, insurance and proper transportation. Deliveries of Products in partial shipments is allowed only if it has been expressly noted in the Agreement or upon written permission of KIT.
- 17.2 With each shipment specified documents must be present stating the order number of KIT (if applicable). This order number, and any other markings indicated by KIT must also be sufficiently clear and visible on the packing.
- 17.3 The delivery (including unloading and transportation to the place of destination) shall take place entirely for the risk of the Other Party, also if it employs staff of KIT in the performance of any act of delivery.
- 17.4 The Other Party is obliged to pick up and take back all (packing) materials used for the delivery at the first request of KIT, and have these materials processed for its account and in conformity with the prevailing regulations for that purpose.

18. Check and repair

- 18.1 KIT shall check the Products supplied or Services provided within a reasonable term upon delivery or execution.

- 18.2 Acceptance implies nothing more or less than that in the preliminary opinion of KIT the exterior condition of the Products or the visible appearance or outward result of the Services is in accordance with the Agreement. In particular does acceptance not prevent a subsequent invocation by KIT of non-compliance by the Other Party with its guarantee obligation mentioned in article 14 or any other obligation towards KIT.
- 18.3 In the event that KIT rejects the Products and/or Services or if it should turn out later that in the reasonable opinion of KIT they do not meet the requirements set for them pursuant to this Agreement, KIT may allow the Other Party, without prejudice to its other rights, to remedy and/or repair the Faults upon first request for the account and risk of the Other Party. Also additional costs such as those in respect of disassembly, transportation and re-assembly shall be for the account of the Other Party. After mutual consultation KIT shall in reasonableness establish the manner and term in which the Faults and/or shortcomings must be remedied and/or repaired. According to the choice to be made in reasonableness by KIT the repair activities shall be carried out either on the site of delivery or elsewhere.

19. Passing of ownership and risk; right of retention

- 19.1 KIT shall acquire the ownership of Products at the time of delivery or at such an earlier date that legal delivery takes place (otherwise). The Other Party shall bear the risk of damage or loss of the Products ordered until acceptance by KIT.
- 19.2 Contrary to the provisions in paragraph 1 KIT shall acquire the ownership of the Products at the time that they are stored at its request and for its benefit.
- 19.3 The provision in the last sentence of paragraph 1 shall remain in full force after the passing of ownership pursuant to paragraph 2 or paragraph 3.

20. Items of property provided by KIT

- 20.1 KIT shall remain the owner of all Items of Property that it provides to the Other Party in connection with the Agreement (including models, drawings, tools or other resources). Save for written permission granted by KIT for that purpose, the Other Party shall refrain from such actions or omissions with regard to the items that KIT loses the ownership thereof by specification, accession, confusion or regardless of the manner. Furthermore, the Other Party guarantees that the items shall not be burdened or encumbered with rights of third parties.
- 20.2 The Other Party shall insure the Matters for its own account for the benefit of KIT under the usual conditions against any losses arising from the complete or partial loss or damage regardless of the cause. KIT is entitled to demand inspection of the relevant policy or policies that must state KIT as the co-insured.
- 20.3 The Other Party shall return the Items to KIT in good condition, unless KIT gives it other instructions. The Other Party shall use the Items entirely for its own risk. Except for intent or wilful recklessness on its own part or on the part of its executive staff, KIT shall not be liable for any detrimental effects of the use of the Items for the Other Party or third parties. The Other Party shall not use the Items for, nor shall it authorize or allow them to be used by third parties or in connection with any other purpose than the correct execution of the Agreement.

21. Intellectual property

- 21.1 The Other Party grants KIT a non-exclusive licence under all its possible rights of intellectual property to the Products and/or Services, including but not limited to rights pertaining to patents, (utility) models, trademarks and know-how. By virtue of this licence KIT is entitled to use the Products, or allow them to be used, (including the modification, treatment and repairing thereof), and KIT is furthermore entitled to supply the Products, either or not as a component part of other

goods, or give them into use of third parties. The fee for this licence has been included in the price. If in any system of law an additional (legal) act should be necessary for the creation and/or continuation of these (licence) fees, the Other Party shall notify KIT on this matter and always give KIT all necessary cooperation.

- 21.2 All intellectual property rights with respect to results of Services shall rest with KIT, unless parties have agreed otherwise in writing. If in any relevant system of law the creation and/or continuation thereof requires any additional (legal) act, the Other Party shall notify KIT on this matter and always give KIT all necessary cooperation. The Other Party hereby grants KIT an unconditional and irrevocable power of attorney to perform all legal acts in the name of the Other Party that may be necessary in the future in order to continue a transfer of intellectual property rights.
- 21.3 The Other Party guarantees that the Products and/or Services will not infringe the intellectual property rights of KIT or third parties and indemnifies KIT and its clients against any such infringement, comparable claims with regard to know-how, unlawful competition, and the like, included therein.
- 21.4 If an action has been brought on account of infringement of intellectual property rights or if there is a chance that this will happen, the Other Party, without prejudice to the rights of KIT, including its right to dissolve the Agreement, shall for its own account:
- (a) still acquire the right to continue the use (the relevant part of) the Products and the results of the Services by KIT;
 - (b) or replace and/or adjust the (relevant part of the) Product and/or the results of the Services;
 - (c) or take back the (relevant part of the) Product and/or the results of the Services in return for payment of costs, damages and interest.
 - (d) Adjustments and/or replacements may not have the effect that KIT's possibilities for use of the Products and the results of the Services are restricted.
- 21.5 The Other Party undertakes to take all measures for its own account that might contribute to prevent stagnation at KIT and to limit additional costs incurred and/or damage suffered by KIT.

C. PROVISIONS IN CONNECTION WITH CONTRACTING OF WORK

This section includes specific provisions for the contracting of work to be performed by the Other Party by order of KIT. Insofar as contrary to the general provisions of these Conditions, the provisions in this section shall prevail.

22. Commencement activities

- 22.1 If the Other Party commences activities without having received written instructions not subject to confirmation for that purpose from KIT, it shall do so for its own account and risk. KIT shall not be bound to pay any compensation in this case and is entitled to demand that the Other Party restore everything to its original state.
- 22.2 The Other Party shall sufficiently inform itself (already before accepting the order, and/or before commencing the activities) on the objectives of KIT with regard to the Work and the relevant organisation of KIT.
- 22.3 In case of (alleged) mistakes in or inconsistencies between parts of the Agreement, the Other Party shall enter into consultation with KIT before commencing the activities.

23. Non-reporting, non-awarding and tender procedure

- 23.1 Except in the event that it be established that obligatory reporting of intended offers or quotations to the price-regulatory body to which the Other Party is connected are not in conflict with competition law, the Other Party shall not make such a report.
- 23.2 If the Work is not awarded, the drawings and documents provided by or on behalf of KIT and pertaining thereto must be returned to KIT immediately upon notice of non-awarding.
- 23.3 If a tendering procedure is organised by KIT, the Other Party is obliged to carefully check all documents thereof for inconsistencies and/or inaccuracies and the Other Party shall immediately inform KIT on any inconsistencies and/or inaccuracies found or alleged, in default of which all rights of the Other Party with regard to those inconsistencies and/or inaccuracies found or alleged have lapsed. KIT is not held to continue a tendering procedure already started and may at any time desired by it decide to cease the procedure, without being bound to pay any compensation of costs or damage.

24. Implementation scheme; reporting

- 24.1 If KIT so desires, the Other Party shall present an implementation scheme, including the dates of commencement and completion of the consecutive parts of the Work and the workforce. This implementation scheme, upon approval by KIT, shall form part of the Agreement.
- 24.2 The Other Party must periodically and in accordance with the wish of KIT report to KIT. In this report KIT shall be informed on the state and the progress of the Work and on any aspects related thereto.

25. Supervision and monitoring

- 25.1 The daily management and the supervision in the execution of the Work shall rest with the Other Party. The number of authorized and competent supervising officials provided by the Other Party for this purpose must be in agreement with the scope and complicatedness of the Work, the Specifications, and the other reasonable requirements set by KIT in this case.
- 25.2 KIT may demand from the Other Party that it replaces persons involved in the execution of the Work when KIT, for whatever reason, deems it necessary.
- 25.3 KIT is entitled to monitor the compliance with the Agreement. The monitoring of KIT shall neither wholly nor partially discharge the Other Party from any responsibility and/or liability.

26. Completion

- 26.1 Unless the Agreement stipulates otherwise, the Completion is deemed to have taken place only when KIT has declared to agree to the Work. KIT's statement of agreement can only be evidenced by a written Completion statement, unless KIT declares in writing that it will deviate from this in respect of a specific Agreement.
- 26.2 Until the Completion the Work shall be for the risk of the Other Party. Until the Completion the Other Party, in case of loss of or damage to the Work by whatever cause, shall be obliged to bear the costs of replacement or repair.
- 26.3 If an overall performance or final check has been agreed upon in the Agreement, the Completion has take place at the time that KIT declares to the Other Party in writing that the requirements were met.
- 26.4 KIT is entitled to use or allow the use of the Work before it has been completed, or an either or not completed part thereof. If through this putting into use more is demanded from the Other Party than can reasonably be required of it, the results thereof shall be dealt with by parties in

reasonableness. Through the putting into use referred to in this paragraph the Work or the part thereof is not considered completed.

27. Maintenance duties

- 27.1 The Other Party has a maintenance duty towards KIT. This maintenance duty implies that the Other Party is obliged to repair for its account and risk any Faults brought to its attention during a term of two years from the date of Completion of the Work and to carry out improvements or changes or to perform the additional activities necessary on account of the Faults with supply of materials.
- 27.2 An equivalent maintenance duty as referred to under paragraph 1 rests with the Other Party in relation to Faults that could not be reasonably found by KIT during the term stated under paragraph 1 and which are brought to the attention of the Other Party by KIT during a reasonable term after they were found.

28. Materials

- 28.1 Unless the Agreement stipulates otherwise, all necessary materials shall be purchased by the Other Party for its account and transported to the place of destination. By the sole fact of supplying the materials to the site of KIT does the Other Party transfer the ownership thereof to KIT.
- 28.2 If, contrary to the provisions under paragraph 1, the Agreement provides that materials shall neither be purchased by the Other Party nor by KIT, the Other Party shall be entitled to the provision of such quantities as are necessary for the execution of the Work. The Other Party guarantees that the materials put at its disposal by KIT shall be used as economically as possible. The Other Party shall return to KIT any remains of the materials put at its disposal by KIT.
- 28.3 If it turns out before or during the execution of the Work that the quantity or quality of any material provided by KIT is insufficient for the execution of the Work, this shall be brought to the attention of KIT in a timely manner. Should the Other Party remain in default thereof, any stagnation in the execution of the Work shall be for the account of the Other Party and shall not be deemed a non-attributable shortcoming of the Other Party. If a shortage of material is due to the careless use thereof by the Other Party, its staff or third parties engaged by it, the costs of supplements shall be for its account.
- 28.4 Materials to be supplied by the Other Party shall meet the requirements set in reasonableness by KIT and be in accordance with the Specifications. Checking by or on behalf of KIT of materials to be supplied by the Other Party shall not discharge the Other Party from any responsibility and/or liability, arising from the use thereof for the Work.
- 28.5 Notwithstanding the provisions in the other paragraphs of this article the materials supplied by the Other Party, and the materials provided by KIT, regardless whether the materials were already processed in the Work until the Completion of the Work, shall be for the risk of the Other Party. When these materials are lost or damaged due to any cause whatsoever, the Other Party shall be obliged to bear the costs of replacement or repair.

29. Tools and equipment

- 29.1 Unless the Agreement provides otherwise, the Other Party shall take care of all tools and equipment needed for the Work. If the Agreement provides that KIT provides tools to the Other Party, these tools shall be duly requested by the Other Party from KIT, in accordance with the regulations adopted by KIT, for the agreed period of time, and be given by KIT on loan to the Other Party. Save for the previous termination of the loan always permitted to KIT, they shall be returned to KIT upon the Completion of the Work. The Other Party shall be deemed to have received in a good state of repair the equipment provided to it by KIT, unless the Other Party

brings any faults to the attention of KIT upon the immediate checking thereof. The return shall take place in accordance with the regulations adopted by KIT. In case of premature termination of the loan KIT shall not owe any compensation or additional cost, in any form whatsoever.

- 29.2 All tools and equipment of the Other Party may be used only in conformity with the prevailing statutory provisions, and also in conformity with any reasonable requirements set by KIT. If those requirements are not met, or in doubtful cases, KIT is entitled to prohibit the use thereof and the Other Party shall be obliged to remove the relevant tools or equipment and have them replaced as soon as possible by tools or equipment that meet the requirements. Any ensuing stagnation in the execution of the Work shall be for the account of the Other Party. Checking of tools and equipment by KIT shall not discharge the Other Party from any responsibility and/or liability arising from the use thereof.
- 29.3 KIT is not liable for any faults in the equipment or tools provided to it or for damage caused by the use thereof by the Other Party.

30. Working conditions and safety

- 30.1 The Other Party is responsible for the working conditions and safety at work. The Other Party shall observe all prevailing statutory regulations, regulations of the Health and Safety Inspectorate, and the prevailing safety regulations on the site.
- 30.2 The Other Party shall periodically, depending on the project, take part in safety talks relating to the Work.
- 30.3 Staff of the Other Party, staff of its subcontractors, or third parties otherwise engaged by it who, in the reasonable opinion of KIT, do not act in a safe manner shall be removed from the Work on demand of KIT. The Other Party shall immediately provide for their replacement.

31. Laws and regulations

- 31.1 The Other Party is deemed to be informed on all statutory and other – also contractual - regulations, conditions and provisions, which the Other Party must observe in the carrying out of the Work.
- 31.2 The Other Party undertakes towards KIT to strictly fulfil its statutory duty to remit social security contributions and payroll tax connected to the Work assigned to it, and furthermore to strictly observe the applicable clauses of the collective labour agreement.

32. Vicarious tax liability

- 32.1 The Other Party shall keep such accounts that the actual wage costs per project (prefab, assembly, overhead and any outsourcing subject to the Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act) can be established. KIT is entitled at all times to check these accounts.
- 32.2 The Other Party shall state on its invoice the actual wage costs as stated in paragraph 1. KIT is authorized to transfer forty percent of these actual wage costs to the G-account of the Other Party. This amount paid into the G-account is intended for payroll tax and social security costs.
- 32.3 If so requested, the Other Party shall furnish to KIT the original copy of a recent (not older than three months) Declaration of Payment History of Industrial Insurance Board and Tax Department stating that remittance of taxes and social security contributions took place with respect to the staff of the Other Party and the third parties engaged by the Other Party in relation to (the execution of) the Work.

33. Right to intervene in the Work

- 33.1 If the Work, in the opinion of KIT, proceeds in such a way that the term stated in the Agreement regarding the realisation of the Work, or of parts of the Work, is reasonably expected to be exceeded, or if the Other Party, in the reasonable opinion of KIT, does not carry out or has not carried out the Work in accordance with the provisions of the Agreement and/or the requirements of good craftsmanship, KIT shall notify the Other Party on this matter in writing.
- 33.2 If the Other Party fails to take such measures within two weeks upon receipt of a notice as implied by paragraph 1, giving notice thereof to KIT, that, in the reasonable opinion of KIT, the backlog shall be eliminated within a short term, or the aforesaid provisions and/or requirements shall be met, respectively, the Other Party shall be in default.
- 33.3 If the Other Party is in default within the meaning of paragraph 2, KIT shall be entitled, without any additional notice of default or judicial intervention being required, to intervene in the Work, in order to expedite the Work, or improve it, respectively, either by its own staff or by third parties ordered by it. KIT shall immediately notify the Other Party on this intervention. The Other Party shall then give KIT and the third parties engaged in the Work by it all cooperation desired by it, including the right to use materials, tools, equipment, etc. of the Other Party, if so desired. The costs of this intervention, which are immediately due and payable, shall be for the account of the Other Party. The costs shall include a reasonable fee for overhead and supervision by KIT.
- 33.4 In the case mentioned in this article KIT shall also be entitled to dissolve the Agreement, as a whole or in part at its discretion, without any notice of default being required for that purpose. This dissolution may also take place after KIT initially sought to expedite and/or improve the Work by intervening in the Work. The dissolution by KIT mentioned above shall take place in writing or electronically.

34. Transfer of the Work upon dissolution Agreement

- 34.1 When the Agreement is dissolved on the basis of these Conditions, KIT, if the part of the Work at that time has been carried out in such a way that, building on the part carried out, the Work can be completed, either or not after alterations, in a technically and economically responsible manner, in accordance with the provisions of the Agreement, shall reimburse to the Other Party the costs incurred by it until the date of dissolution on the basis of cost price, insofar as these costs arise from the reasonable carrying out of the Work. If a contract price has been stipulated in the Agreement, the costs thus determined shall not exceed a part of the contract sum calculated proportionately. On determining the remuneration any costs of alteration incurred in reasonableness as stated shall be deducted from this amount. KIT is authorized to provisionally deduce the costs of alteration concerned according to an estimated amount, to be set off against the actual costs of alteration.
- 34.2 KIT, in the case mentioned in paragraph 1, shall be entitled to complete the Work or have the Work completed by ordering third parties to do so. In that case the Other Party shall give KIT and the third parties engaged in the Work by it all cooperation desired by it, including the right to use materials, tools, equipment, etc. of the Other Party, if necessary. Insofar as the costs incurred as a result of the aforesaid cooperation are not included in the remuneration implied by paragraph 1, the cost price thereof shall be reimbursed to the Other Party. Insofar as the payments already made by KIT to the Other Party by reason of the Agreement exceed the remuneration mentioned in this article, the surplus shall become immediately due and payable upon the dissolution of the Agreement and be repaid by the Other Party to KIT.
- 34.3 When the Agreement is dissolved on the basis of these Conditions, KIT, if the part of the Work at that time has been carried out in such a way that, building upon the part carried out, the Work cannot reasonably be expected to be completed, either or not after alterations, in a technically and economically responsible manner, in accordance with the provisions of the Agreement, shall be

able to refuse the Work and order the Other Party to remove the Work as soon as possible for the account of the Other Party.

- 34.4 In case of a refusal as implied by paragraph 3 KIT shall not be bound to pay any compensation and the payments already made by KIT to the Other Party by reason of the Agreement shall become immediately due and payable and be repaid by the Other Party to KIT.

35. Payment

- 35.1 Unless agreed upon otherwise and notwithstanding the provisions in these Conditions to the contrary, the contract sum shall be invoiced as follows:
- (a) 5% upon entering into the Agreement;
 - (b) 20% upon commencing the Work;
 - (c) 75% upon Completion of the Work.

D. PROVISIONS IN RELATION TO LOAN AND CONSIGNMENT FOR THE PURPOSE OF KIT

This section includes specific provisions for being given the use and consignment of works of art by KIT. Insofar as this is in conflict with the general provisions of these Conditions, the provisions in this section shall prevail.

36. Loan

- 36.1 The work of art to be given in use and/or on consignment by the Other Party to KIT shall hereinafter be referred to as 'the work of art given on loan'.
- 36.2 KIT shall take care of the work of art given on loan as a good depositary for the period that it is in charge of the work of art given on loan. KIT shall take out an adequate insurance of the work of art given on loan during that period.

37. Use of the work of art given on loan

- 37.1 KIT is entitled to use the work of art given on loan for the purpose intended by KIT, including at any rate the exhibiting of the work of art given on loan at a location determined by KIT, and all associated expressions with regard to the work of art given on loan, including but not limited to the use of representations and descriptions of the work of art given on loan on the website of KIT, on posters and announcements, in descriptions and catalogues, etc.
- 37.2 KIT is not held to exhibit or otherwise use the work of art given on loan. KIT may decide on its policy with regard to the exhibiting and otherwise using of the work of art given on loan at its own discretion. If this policy has the effect that the work of art given on loan is not exhibited during a the agreed period of loan, the Other Party shall be entitled to request KIT that the period of loan be terminated, which request shall be taken into consideration by KIT in reasonableness.
- 37.3 If the Other Party wishes to connect specific conditions to the loan by KIT of the work of art given on loan, the Other Party shall inform KIT on this matter prior to the loan in writing. Such specific conditions only apply between parties if KIT has agreed in writing to the applicability of those special conditions. In default of such specific conditions KIT is entitled to use the work of art given on loan in the manner it deems advisable, whereby KIT shall fulfil all the requirements of due care to be set for the use in reasonableness in its opinion.
- 37.4 KIT shall undertake to state (a) the name of the artist of the work of art given on loan and (b) the fact that the work of art given on loan was given on loan by the Other Party if the work of art

given on loan is exhibited by KIT, insofar as this is possible and fitting in the reasonable opinion of KIT.

38. Transportation and insurance

- 38.1 The transportation of the work of art given on loan from and to KIT, including packing and unpacking and insurance, shall be entirely for the account and risk of the Other Party.
- 38.2 The Other Party shall furnish KIT with a report evidencing the condition of the work of art given on loan after the delivery at KIT. In default of such a report the condition in which KIT returns the work of art given on loan to the Other Party shall be deemed to be the same as the condition in which the work of art given on loan was delivered at KIT, unless that condition was demonstrably changed during the period that the work of art given on loan was at KIT.
- 38.3 From the time that the work of art given on loan is made available by KIT to be picked up by the Other Party, which shall be the case (a) at the time that the agreed term of the loan has expired, or (b) at an earlier date in case KIT has informed the Other Party that the work of art given on loan is made available to be picked up by the Other Party, the work of art given on loan shall again be fully for the account and risk of the Other Party. The Other Party shall compensate KIT for any costs incurred in reasonableness by KIT that are connected with the period that the work of art given on loan was available to be picked up by the Other Party, including but not limited to costs of storage and insurance cost. KIT is entitled to pay these costs in advance before handing over the work of art given on loan to the Other Party.

39. Term and termination

- 39.1 The term of the loan shall be recorded in writing by parties prior to the loan. If the loan has been entered into for an indefinite period of time, the Other Party shall have a notice period of three months. If the loan has been entered into for a definite period of time, the loan shall end by operation of law on that final date and the work of art given on loan shall be for the account and risk of the Other Party as from 08.00 that day and KIT shall no longer be deemed to be in charge of it, without any additional act being necessary to this end. Parties may decide in consultation to extend the term of the loan, in which case the conditions of the initial term shall be applicable to the extension, unless parties deviate from this in writing.
- 39.2 KIT is entitled at all times to prematurely terminate the loan, and shall in that case grant the Other Party a term of at least two working days to pick up the work of art given on loan.

40. Payment and costs

- 40.1 KIT and the Other Party shall not owe one another any payment in respect of the work of art given on loan, unless parties have reached agreement on this matter in writing prior to the loan.
- 40.2 The costs connected to the use of the work of art given on loan during the period that KIT is in charge of it until the time that KIT makes the work of art given on loan available to be picked up by the Other Party shall be for the account of KIT, unless parties agreed otherwise on this matter.

41. Sub-loan

- 41.1 KIT is entitled to give the work of art given on loan on sub-loan to another party, after it has informed the Other Party on its intention to do so. If the Other Parties has serious objections against this plan, the Other Party shall express these objections immediately to KIT, in default of which KIT may give the work of art given on loan on sub-loan. In case of such serious objections parties shall reach agreement on this matter in good consultation. KIT is responsible for the actions of the subloaner in the same way as for its own actions, unless KIT was necessitated to give the work of art on subloan due to circumstances beyond its control. Subloaner shall not be liable

towards the Other Party in excess of what it would be as party to the Agreement between KIT and the Other Party.

42. Guarantees, liability and indemnification

42.1 The Other Party guarantees that:

- (a) The work of art given on loan shall be delivered at KIT and picked up in a timely manner;
- (b) The work of art given on loan is in a good state of repair and fit for the manner in which it will be used at KIT,
- (c) The work of art given on loan shall not cause damage to the environment in which it is placed by KIT, to persons or to other works.

42.2 The liability of KIT with regard to the work of art given on loan is limited to the amount that the insurer paid in connection with the claim of the Other Party to KIT. KIT is not liable for any indirect damage, such as consequential loss, loss due to lost profits or lost turnover, or damage to one's good name. The liability of KIT is limited to cases of intent or deliberate recklessness of KIT or the persons belonging to its management. Each claim of the Other Party shall be filed to KIT in writing within one year after the damage was caused, in default of which the claim shall be deemed lapsed and can no longer be filed.

42.3 The Other Party indemnifies KIT against any claims of third parties with regard to the work of art given on loan, including but not limited to claims of the creator of the work of art given on loan.

E. PROVISIONS IN RELATION WITH COLLABORATION

This section includes specific provisions for Joint Venture Agreements between KIT and the Other Party. Insofar as this is in conflict with the general or other provisions of these Conditions, the provisions in this section shall prevail.

43. Object and manner of collaboration

43.1 KIT and the Other Party shall collaborate in good faith in order to realise the objectives defined in the Agreement. If and insofar as these objectives were in the reasonable opinion of KIT not or insufficiently defined in the Agreement, KIT shall be entitled to re-define or further specify these objectives. The Other Party may announce within 2 weeks after this more detailed specification that it has objections against it. KIT is obliged to take these objections, insofar as reasonable, into consideration. If KIT decides to ignore these objections, both parties may cancel the Agreement within 2 weeks subject to a reasonable term. If the Agreement has not been cancelled within this term, the Agreement shall be continued on the basis of the re-definition and/or specification of KIT.

43.2 Parties shall both appoint sufficiently qualified persons within their own organisation, or, while retaining their own responsibility: outside the organisation, for the execution of the collaboration. If in the reasonable opinion of KIT one or more persons designated by the Other Party for the execution of the collaboration are unsatisfactory, the Other Party shall replace this/these person(s) by one or more other persons acceptable to KIT.

43.3 Notwithstanding the possible applicability of the other sections of these Conditions, the part of the activities and efforts that the Other Party must perform for the purpose of the joint venture shall be subject to the norms and obligations of the commissionee as implied by Title 7 of Book 7 of the Netherlands Civil Code.

43.4 At the request of KIT parties shall set up a project organisation for the joint venture. On the part of the Other Party persons shall be part of the project organisation who will be able to take binding decisions with regard to all aspects of the joint venture.

44. Duration of the joint venture

- 44.1 The joint venture shall be for the duration indicated by KIT. KIT may cancel the joint venture with due observance of a reasonable notice period, which at any rate shall not exceed three months. The Other Party may cancel the joint venture if and in the manner in which this has been provided for in the Agreement. Upon cancellation in conformity with the provisions herein none of the parties shall owe any compensation.

F. PROVISIONS IN RELATION WITH REPRESENTATIONS

This section includes specific provisions for Agreements between KIT and the Other Party with regard to the representations given by the Other Party for KIT and the general public (or a public to be determined by KIT). Insofar as this is in conflict with the general or other provisions of these Conditions, the provisions in this section shall prevail.

45. Conditions for shows

- 45.1 All Agreements between KIT and the Other Party with regard to the shows given by the Other Party for KIT and the general public (or a public to be determined by KIT) are subject to the relevant general conditions of KIT.

G. PROVISIONS IN RELATION WITH THE SELLING BY KIT OF PRODUCTS AND SERVICES

This section includes specific provisions for Agreements between KIT and the Other Party with regard to the selling by KIT of products and/or services. Insofar as this is in conflict with the general or other provisions of these Conditions, the provisions in this section shall prevail.

46. Electronic offers and/or electronic sale of KIT-products and/or services

- 46.1 All offering and/or selling of products and services by KIT in an electronic manner are subject to the relevant general conditions KIT, with due observance, insofar as this is not in conflict with the relevant general conditions, of the provisions below.

47. Offers

- 47.1 Offers and engagements made verbally shall bind KIT only after and insofar as they have been confirmed by KIT in writing. All offers of KIT, made in any form whatsoever, are subject to confirmation unless stated otherwise.
- 47.2 KIT reserves the right to change supply rates in case of price rises of cost price factors such as raw materials and wage costs, or in case of governmental measures.
- 47.3 All representations and specifications of items in catalogues, price lists, advertisements and the like count as approximate representations. KIT cannot guarantee the correctness and exactness of the statements of weight, size, capacity, and the like. KIT is authorized at all times to make changes in the items to be supplied in order to improve them or meet government regulations.

48. Payment

- 48.1 Unless agreed upon otherwise in writing, the Other Party shall pay the entire purchase price, or in case of prepayment the remaining amount thereof, at the option of KIT, immediately upon delivery of the items or within 30 (thirty) days after the date of invoice, into an account to be stated by KIT, without any deduction, discount or settlement. Submitted claims of the Other Party shall not exempt it from its obligation to pay.

- 48.2 If the Other Party fails to promptly pay any amount due by it, it shall be in default by operation of law, without any notice of default being required. In that case all claims of KIT, including the purchase price, shall be immediately due and payable up to the full amount, while KIT may also claim the compensation of statutory interest on the date that the Other Party is in default, increased by two percent per month or a part thereof, on the amount in respect of which the Other Party is in default of payment.
- 48.3 In case that the Other Party does not pay promptly KIT shall also claim compensation of all judicial and extrajudicial costs, the latter estimated at 15% of the amount due in respect of the principal sum and interest.
- 48.4 KIT is entitled at all times to demand that the Other Party provides security. KIT is also entitled, before commencing the execution of the order, to demand an advance payment from the Other Party to be determined by it.
- 48.5 In case that the Other Party does not pay promptly, KIT may suspend the execution of all orders of the Other Party, until the amounts due according to the previous paragraphs of this article, inclusive of interest, will have been paid within the term set by KIT. If the Other Party fails to pay within this term, KIT is entitled to dissolve all orders, without prejudice to all other rights accruing to KIT.

49. Delivery

- 49.1 Unless otherwise agreed upon, delivery shall take place ex works/warehouse (Ex works Incoterms 2000) KIT. The items shall be for the risk of the Other Party from the time of delivery, or from the time that the items to be delivered by KIT have been handed to a carrier for dispatch to the Other Party, even if the title to the items has not yet passed to the Other Party. The Other Party is obliged to accept the items at the first request of KIT.
- 49.2 Delivery times stated by KIT shall never be considered a fatal term, unless expressly agreed upon otherwise. In case of untimely delivery KIT shall therefore be given notice of default, whereby KIT shall be given a reasonable term of at least 14 days to still fulfil its obligations. Upon exceeding this extended term the Other Party shall only be authorized to dissolve the agreement insofar as no deliveries have taken place yet.

50. Complaints

- 50.1 Upon delivery the Other Party shall inspect the items supplied for visible faults and shortcomings. Visible faults and shortcomings must be reported to KIT in writing within 2 working days upon delivery. The Other Party shall report faults not visible upon delivery to KIT within 5 working days upon discovery, but at any rate within 5 working days after the Other Party should have reasonably found the faults. The possibility to claim shall lapse if the fault can be imputed to the Other Party.
- 50.2 Any claim for compensation of damage and/or repair of the item and/or replacement of the item and/or supply of the missing part, by any reason whatsoever, and also any right to dissolve the agreement shall lapse in case of untimely report or 1 year after the delivery, unless a deviating term has been agreed upon in writing.

51. Retention of title

- 51.1 KIT reserves the title of the items supplied and to be supplied to the Other Party until full payment has been received of all purchase prices, and also of any amounts due by the Other Party in respect of activities carried out by KIT in connection with these purchase agreements

and of claims on account of attributable shortcomings of the Other Party in fulfilling such agreements.

- 51.2 As long as the title to the items supplied has not passed to the Other Party, the Other Party may not pledge the items or give a third party any right thereto. The Other Party may sell and actually deliver the items supplied under retention of title to third parties for the purpose of the normal conduct of business.
- 51.3 The Other Party is obliged to carefully store the items supplied under retention of title and recognizable as property of KIT. It is also obliged to insure these items against damage caused by fire, water and theft. Any claims of the Other Party by reason of these insurances shall be pledged by the Other Party to KIT at the first request of KIT, as additional security for the claims of KIT on the Other Party.
- 51.4 If the Other Party fails to fulfil any obligation towards KIT, or KIT has good reasons to fear that it will fail in fulfilling those obligations, KIT is authorized to take back the items supplied under retention of title, without prejudice to its right to additional compensation. The costs of taking back the items shall be for the account of the Other Party.

52. Force majeure

- 52.1 If KIT does not fail imputably in fulfilling its obligations (*force majeure*), it shall not be liable. Insofar as fulfilment has not become permanently impossible its obligations shall be suspended. If the period, in which fulfilment is impossible due to *force majeure* exceeds two months, both parties are entitled to dissolve the agreement, without in that case being held to pay any compensation.
- 52.2 If KIT already fulfilled its obligations in part when *force majeure* arises, or can fulfil its obligations only in part, it shall be entitled to separately invoice the part supplied or available, respectively, and the Other Party shall be obliged to pay this invoice as if it pertained to a separate agreement.
- 52.3 There is *force majeure* of KIT within the meaning of this article in case of strikes, lack of raw materials, stagnation with suppliers, and problems with transportation.

53. Guarantee

- 53.1 Subject to the provisions in article 54 regarding compensation, KIT, if items supplied by KIT show faults to KIT that must be attributed to KIT, which have been duly reported, is exclusively bound to repair these faults free of charge (at its option), or have them repaired, or provide the parts necessary for the repair, or replace the relevant item in its entirety. If repair or replacement is no longer possible or disproportionately inconvenient in the opinion of KIT, KIT shall be authorized to repay the purchase price, without being obliged to pay any additional compensation. Insofar as it is not agreed upon otherwise, the obligation mentioned in this article shall prevail during ninety days upon delivery.
- 53.2 KIT is entitled to demand that the item that qualifies for guarantee be dispatched by the Other Party post-free to it or to an address indicated by it by the Other Party. Varying guarantee provisions may be in force for specific items.

54. Liability

- 54.1 The liability of KIT for damage due to attributable shortcoming of KIT in fulfilling the agreement or to an unlawful act has been limited to the guarantee obligation mentioned in article 7 if it concerns a fault in the item supplied, and to repayment of the purchase price in

other cases, except if and insofar as the damage is caused by intent or deliberate recklessness of KIT.

- 54.2 KIT shall never be liable for consequential loss, including at any rate direct trading loss, loss due to business interruption and/or loss of profits by the Other Party.
- 54.3 Any claim for damages, repair or replacement of the item and/or supply of the missing parts, by any reason whatsoever, and also any right to dissolve the agreement shall lapse in case of untimely report or 1 year after the delivery, unless a varying term has been agreed upon in writing.

55. Dissolution and suspension

- 55.1 If the Other Party fails to fulfil one of its obligations towards KIT or KIT fears that the Other Party will not fulfil its obligations and the Other Party is unable to provide adequate security for fulfilling its obligations at the first request of KIT, the goods of the Other Party are seized, the Other Party applies for a moratorium, is declared bankrupt or otherwise loses the free disposal of its assets, KIT is entitled to suspend the (additional) execution of all agreement(s) concluded with the Other Party, or to dissolve these agreement(s) wholly or partly, subject to the right of KIT to additional or substitutive compensation. Any right of suspension of the Other Party is excluded.