

<b>GENERAL TERMS &amp; CONDITIONS OF BUYING OF FAVORITE LOGISTICS</b>
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**Article 1 Definitions**

In these General Terms & Conditions of Buying (hereinafter referred to as: "GTCB") the following terms are understood to mean:

**Favorite Logistics:** the private limited company Favorite Logistics, domiciled in (4004 LM) Tiel, at Het Eek 1 (hereinafter referred to as: "Favorite Logistics");

**supplier :** the other party of Favorite Logistics;

**offer:** supplier 's written offer to deliver at a certain price a particular quantity of goods or to carry out a previously well-defined service;

**order:** the assignment to deliver, or as the case may be the acceptance of supplier 's offer by Favorite Logistics. The order leads to the agreement, provided this has been entered into by a person of Favorite Logistics, who is authorized to do so;

**goods & services:** goods, material objects to be delivered, or activities to be carried out and all accompanying means and documentation such as test certificates, drawings, quality, testing and guarantee certificates, maintenance and instruction books with manual;

**agreement:** the agreements laid down in writing between Favorite Logistics and the supplier concerning the delivery of goods;

**delivery:** the placing of goods in Favorite Logistics's possession, respectively power and the possible installation/assembly of these goods;

**parties:** Favorite Logistics and the supplier ;

**in writing:** electronic data traffic and/or messaging per fax and/or messaging by mail or delivery otherwise of written documents;

**Article 2 Applicability**

1. In case of a conflict, the specially made undertakings prevail over these GTCB.
2. Deviation from these GTCB can only be agreed upon in writing.
3. These GTCB apply to all enquiries, offers and agreements regarding the delivery of goods by the supplier to Favorite Logistics. General conditions – under any name – of the supplier, do not apply. These are explicitly rejected.

**Article 3 The establishment of an agreement**

1. Within 48 hours after reception of a request for a quotation from Favorite Logistics, an offer will be made by the supplier. An offer is valid for 30 days, unless otherwise has been agreed in writing. For the rest, offers are unconditional, unless it is stated otherwise in the offer. Costs for the offer are for the account of the supplier.
2. Supplier receives from Favorite Logistics the order by fax or by e-mail. Supplier must confirm in writing by e-mail or by fax as correct, within seven days of receiving the order.

Within three working days after receiving the supplier's confirmation, Favorite Logistics will announce her agreement to that confirmation.

3. The agreement is established at the moment that the order has been sent by Favorite Logistics.
4. Execution of a verbal order can only take place after Favorite Logistics has confirmed the order in writing or has issued an order number to the supplier .

#### **Article 4 Alterations**

1. Favorite Logistics is authorized at all times, in consultation with the supplier, to alter the size and/or quality of the goods to be delivered. Alterations are agreed upon in writing.
2. If an alteration, according to the supplier's judgement, has consequences for the agreed fixed price and/or the time of delivery, he is obliged, before complying with the alteration, to verbally inform Favorite Logistics about this as soon as possible and to inform Favorite Logistics in writing not later than within five working days after the notification by Favorite Logistics of the required alteration. If these consequences for the price and/or delivery time are unreasonable according to Favorite Logistics's judgment, parties will enter into consultation about this.

#### **Article 5 Transfer of obligations**

1. The supplier may transfer an obligation in consideration of the agreement to a third party only after a prior written consent of Favorite Logistics.
2. The supplier remains responsible for the further execution of the agreement and all additional costs involved.

#### **Article 6 Price and price review**

1. The agreed prices and rates are in Dollars, excluding sales tax and contain all costs in connection with the fulfilment of the supplier's obligations including the costs of packaging, instruction, transport, insurance, taxes/levies/customs clearing, unless otherwise agreed in writing.
2. Favorite Logistics will be notified in writing by the supplier of future price mutations and market developments without delay and these cannot come into force before Favorite Logistics's written consent.

#### **Article 7 Time of delivery**

1. As soon as the supplier knows or should know that he will not come up to the mark as to the fulfilment of the agreement, he is obliged to inform Favorite Logistics in writing immediately, stating the reasons. If there is no delivery, or no timely delivery, the supplier is legally in default, without proof of default. Without prejudice to Favorite Logistics's rights from these GTCB, from the agreement or from the law, parties will consult with each other if, and if so, in which way, the arisen situation may still be resolved to Favorite Logistics's satisfaction.
2. Earlier delivery does not lead to alteration of the agreed term of payment.
3. If Favorite Logistics requests the supplier to delay the delivery because of reasons or circumstances concerning herself, the supplier will store the goods, properly packed and separated, recognizably destined for Favorite Logistics, and take all reasonable measures to prevent deterioration in the goods' quality, to secure and insure the goods, at a compensation to be further agreed upon in writing for the expenses demonstrably made for that. In such a case Favorite Logistics will not be in default.

#### **Article 8 Delivery**

1. For the interpretation of the delivery conditions the “Inco terms”, edition 2000, or the latest version, apply, issued by the International Chamber of Commerce (ICC).
2. Delivery is carriage forward, via the transport company indicated by Favorite Logistics. The supplier must indicate the port.
3. Unless otherwise agreed in writing, delivery will be at the address mentioned below:  
Favorite Logistics, Het Eek 1, Tiel, Nederland.
4. The supplier is not authorized to carry out part deliveries. If in spite of this, the execution of part deliveries has been agreed in writing, then for the application of these GTCB delivery is also understood to mean a part delivery.
5. Delivery is also understood to mean delivery of all accompanying means and documentation such as testing certificates, drawings, quality, test and guarantee certificates, maintenance and instruction books with manual. The supplier is obliged to make available to Favorite Logistics at his expense the accompanying original documentation prior to, or at the same time as the delivery, by lack of which the resulting costs will be for the supplier’s account. Favorite Logistics is free concerning the usage of this documentation, including the multiplication thereof for her own use.
6. The supplier must provide the goods to be delivered with a clearly visible packing list, to which for containers a signed Bill of Lading has to be attached, a (copy of the) invoice, on which at any rate always should be mentioned:  
name and address of the supplier, delivery number Favorite Logistics, complete order number Favorite Logistics, delivery date according to the order, container number (in case of a Full Container Load (FCL)), way of transport or means of transport, registration plate, dispatch number, article number Favorite Logistics, outer carton number Favorite Logistics, number of cartons per article and contents per carton, carton dimensions in centimetres, net weight, number per export carton, country of origin, invoice value of the delivery in the agreed currency, the supplier’s VAT number, statistical number, number of coli and delivery location.

#### **Article 9 Packing**

1. The goods must be packed, secured and insured without extra charges, and with a minimum of material, in such a way, that these will reach the destination in a proper condition. The supplier must comply with the packing and sticking instructions. If the supplier does not receive any instructions in this matter, he is to notify Favorite Logistics of this without delay. The supplier is responsible for damage and extra costs, arisen by or in connection with improper packing and/or the non-compliance with Favorite Logistics instructions.
2. The supplier commits herself to remove the packaging in a responsible manner. If the supplier fails to do so, Favorite Logistics has the right at all times to return the (transport) packaging materials to the supplier at the supplier’s expense.
3. Processing respectively destruction of (transport) packaging materials is a responsibility of the supplier. If on Favorite Logistics’s request packaging materials are processed or destroyed, this will be done at the supplier’s risk and expense.

#### **Article 10 Insurances**

1. At Favorite Logistics’s request the supplier is to provide for inspection the insurance policies, which the supplier is obliged to conclude on the basis of these GTCB or by virtue of the agreement, law or other rules.
2. If the supplier in connection with his possible liability towards Favorite Logistics is entitled to a compensation by virtue of an insurance agreement, then the supplier should bear the responsibility for having these compensations paid out directly to Favorite Logistics; for this Favorite Logistics may require that:

- the supplier concludes an insurance agreement for the benefit of Favorite Logistics, or that
- the supplier transfers a possible insurance claim to Favorite Logistics, such as to be chosen by Favorite Logistics.

In that case the supplier gives Favorite Logistics an irrevocable power of attorney to receive a compensation for damage.

3. A possible policy excess on an insurance concluded by the supplier is for the supplier's account.
4. Insurance by the supplier does not lead to limitation of her liability, nor to joint liability of Favorite Logistics.

#### **Article 11 Transfer of risk and ownership**

1. Ownership and risk of goods are transferred from the supplier to Favorite Logistics at the moment of the actual delivery thereof and the approval thereof by Favorite Logistics, unless otherwise agreed upon in writing.
2. In the event by, or from the side of Favorite Logistics materials, such as raw materials, auxiliary materials, tools, drawings, designs, models, specifications, photographs and software are made available to the supplier and/or are manufactured by order of Favorite Logistics for the purpose of the compliance with her obligations, these belong exclusively to the ownership of Favorite Logistics. The supplier will keep these, separated from objects belonging to herself or to third parties. The supplier will mark these as being Favorite Logistics's ownership.
3. At the moment that materials such as raw materials, auxiliary materials and software of Favorite Logistics have been processed in goods of the supplier, there will be new goods, the ownership of which belongs to Favorite Logistics. This is without prejudice to the stipulation in paragraph 1 of this article.
4. In case of delay of delivery in accordance with the stipulation in article 7 paragraph 1 of these GTCB, the ownership of the goods concerned will be transferred from the supplier to Favorite Logistics at the moment that the goods are stored identifiably as Favorite Logistics's ownership at or on behalf of the supplier.
5. Also in cases, other than described in paragraph 4 of this article, Favorite Logistics is authorized to require that the transfer of the ownership of goods and/or of the materials and parts meant for these goods, takes place at an earlier point in time than what is stipulated in paragraph 1 of this article. (In case of a down payment the ownership of the goods involved is transferred to Favorite Logistics at the moment of that payment).
6. In applying what is stipulated in the paragraphs 4 and 5 of this article, the supplier will mark the goods and/or the materials and parts meant for these goods as recognizable ownership of Favorite Logistics and indemnify Favorite Logistics against loss, damage and the exercising of rights by third parties.
7. If a third party concerning the goods in this article pretends any right and/or lays a claim on such a right, the supplier will point out to him the ownership of Favorite Logistics and notify Favorite Logistics immediately of this pretence and/or attachment. Favorite Logistics is at all times authorized to collect herself, or to have collected, the goods that belong to her, from the place where they are. The supplier grants Favorite Logistics already now the irrevocable power of attorney to set foot in, or have set foot in the spaces, which are used at, or for the supplier.

#### **Article 12 Invoicing and payment**

1. Invoices must be provided with the data mentioned below, in the absence whereof Favorite Logistics is authorized to return the invoices to the supplier unpaid:

complete order number Favorite Logistics, article number Favorite Logistics, country of origin, payment conditions, number of items, delivery date, way of transport or means of transport with accompanying data, VAT number of European manufacturer and complete bank information.

2. Unless otherwise agreed in writing payment of the invoice will take place within thirty days after reception of the invoice copy, copy of the packing list and copy of the Bill of Lading and approval of the goods and the possible installation/assembly thereof by Favorite Logistics. Supplier has the obligation to send, within 1 day after reception of the payment into the beneficiary's account, the original documents by courier to Favorite Logistics. The costs for this despatch are for the Supplier's account.  
If the original invoice, packing list and Bill of Lading are late, then all resulting costs will be charged to the supplier.
3. Favorite Logistics is authorized to defer the payment if she establishes a shortcoming in the goods and the possible installation/assembly thereof.
4. Favorite Logistics is authorized at all times to balance supplier's claims against Favorite Logistics with claims that Favorite Logistics, on account of whatever, has against the supplier or against companies which belong to the same group as the supplier, no matter whether the claim for payment of the supplier against Favorite Logistics has been transferred to a third party.
5. Favorite Logistics is authorized in order to secure the compliance with the obligations on account of the agreement, in cases to be determined by Favorite Logistics, to require that the supplier has an unconditional and irrevocable bank guarantee issued by a banking institution acceptable to Favorite Logistics. The costs of the bank guarantee are for the supplier's account.
6. Payment by Favorite Logistics does not in any way imply the renunciation of rights.

### **Article 13 Quality, guarantee and ethical code**

1. The supplier guarantees that the delivered goods:
  - function in accordance with and correspond to the agreement;
  - are new, unless otherwise has been agreed;
  - are not older than four months at delivery, counting from the date of production;
  - have the qualities which have been promised;
  - are suitable for the purpose for which they have been delivered;
  - are free from defects, design, construction, material and manufacturing faults and from rights of third parties;
  - comply with valid legal and/or other rules (including Cadmium rules, Azo rules and RoHS (Restriction of Hazardous Substances) rules) regarding amongst other things, but not exclusively, the environment and labour conditions, have been supplied with the correct CE-marking wherever it is required as a consequence of applicable rules, do not contain forbidden materials and/or preparations and no materials, which cannot be processed through the regular procedure of waste processing. In addition, the supplier has to send the report, containing her compliance with the rules, to Favorite Logistics. If required the supplier will provide insight into the measure in which the care for the environment has been considered in the design and the production. The supplier will inform Favorite Logistics correctly and completely if the goods contain materials and/or preparations, which are hazardous or harmful to man, goods or the environment;
  - complete and ready for use and that all aids, parts, auxiliary materials, accessories, tools, spare parts, directions for use and instruction books, which are necessary for realising the purposes, as indicated by Favorite Logistics in writing, will be delivered together with the

- goods, even if they have not been mentioned by name. The directions for use have to be sent along in the following languages: Dutch, English, German, French and Spanish;
- have been manufactured from new and sound material and are packed in environmentally friendly and decomposable material;
  - have not (partly) been manufactured by means of child labour, as amongst other things defined in the International Labour Organisation (ILO) resolution 182 and/or forced labour, in whatever form.
2. If Favorite Logistics establishes that the delivered goods do not (completely or partly) comply with that which the supplier has guaranteed in accordance with paragraph 1 of this article, the supplier is legally in default, unless the latter party can demonstrate that the shortcoming cannot be imputed to him.
  3. The supplier indemnifies Favorite Logistics against all claims of third parties regarding faulty goods in the sense of product liability stipulations of the Dutch Civil Code ('BW').
  4. If the goods, regardless of the results of any testing, do not appear to comply with that which has been stipulated in paragraph 1 of this article, the supplier will for his account and risk repair or replace the goods – the choice and first written notification is up to Favorite Logistics – unless Favorite Logistics prefers the annulment of the agreement, in accordance with that which has been stipulated in article 18 of these GTCB.
  5. Favorite Logistics has the right in urgent situations, or in case the supplier does not fulfil his guarantee obligations, to carry (or have carried) out (provisional) repairs at the supplier's expense, without this harming the supplier's guarantee obligations.
  6. The supplier and his employees, as well as the third parties engaged by her, are obliged to adhere to the legal safety, health, and environment provisions.

#### **Article 14 Intellectual and industrial property rights and other rights**

1. The supplier guarantees the free and undisturbed use by Favorite Logistics of the delivered goods. She indemnifies Favorite Logistics against the financial consequences of claims by third parties because of infringement on their intellectual and industrial property rights and other rights and will compensate Favorite Logistics for all damage and costs, which result from that.
2. In case of violation of that which has been stipulated in the previous paragraph, the supplier owes Favorite Logistics, without prejudice to other rights of Favorite Logistics in accordance with these GTCB, with the agreement, or with the law, an immediately payable fine, based on the costs incurred by Favorite Logistics, for every violation. The amount of the fine must be paid by the supplier directly to Favorite Logistics after the aforementioned establishment and notification thereof to the supplier.
3. Favorite Logistics is proprietor of all intellectual and industrial ownership rights, which arise because of, or as the case may be, are the result of the execution of the agreement by the supplier, his personnel or third parties, who the supplier engaged in the execution of the agreement. At Favorite Logistics's first request the supplier is obliged to do everything which is necessary for the acquisition and securing of these rights.
4. All rights of intellectual and industrial property on goods which have been made available by Favorite Logistics to the supplier for the purpose of the execution of the agreement (including the sketches, drawings, litho, cliché's, photographs, models designed or as the case may be established by Favorite Logistics) rest exclusively with Favorite Logistics.

#### **Article 15 Secrecy and ban on disclosure**

1. The supplier will keep the existence, the nature and the contents of the agreement, as well other confidential company information secret and will not publicize anything concerning that, nor, directly or indirectly, have contact with the Principal(s) of Favorite Logistics,

without Favorite Logistics's written consent. These bans are imposed by the supplier in writing on (a) third party/parties, who have been called in for the execution of the agreement.

2. In case of violation of that which has been stipulated in the previous paragraph, the supplier owes Favorite Logistics, without prejudice to other rights of Favorite Logistics in accordance with these GTCB, with the agreement, or with the law, an immediately payable fine of five thousand Euros for every violation. The amount of the fine must be paid by the supplier directly to Favorite Logistics after the aforementioned establishment and notification thereof to the supplier.
3. The obligations and bans, mentioned in this article, will continue after the end of the agreement.

#### **Article 16 Testing**

1. Favorite Logistics is authorized at all times to test the goods or to have these tested, both during the production, processing and storage, and after delivery. Approved samples will be confirmed in writing by Favorite Logistics.
2. At first request the supplier will provide access to Favorite Logistics or her representative to the place of production, processing or storage. The supplier will lend her assistance to the testing, free of charge.
3. If a test as meant in this article, through the agency of the supplier, cannot take place at the intended point in time, or if a test must be repeated, the resulting costs for Favorite Logistics will be for the supplier's account.
4. If Favorite Logistics after a test has good reasons to fear that the supplier will fail in the fulfilment of her obligations, the supplier, even if she declares to be prepared to comply with her obligations, is obliged to immediately provide security in a satisfactory form, as required by Favorite Logistics, and if necessary to complement this for the damage, possibly suffered by Favorite Logistics.
5. If at delivery goods are wholly or partly rejected, Favorite Logistics will notify the supplier, or have her notified in writing. This notification applies as proof of default. Favorite Logistics will give the supplier an opportunity to deliver within a reasonable term, still in accordance with the agreement. If the supplier does not use that opportunity, or does not succeed to still deliver as she should, Favorite Logistics has the right to annul the agreement without required proof of default and to take the required goods from a third party, or to take measures herself or have measures taken by a third party for the supplier's risk and account.
6. In case of rejection of goods during or after delivery, the ownership and risk are deemed to have remained with the supplier and therefore, never to have been transferred to Favorite Logistics.
7. Favorite Logistics has the right to repair (to have repaired) the goods for the supplier's account or to replace them (or have them replaced), if after consultation with the supplier it may reasonably be assumed that the supplier cannot, cannot in time or cannot properly take care of repair or replacement. This does not relieve the supplier of her obligations from the agreement. Favorite Logistics may decide not to consult if urgent circumstances prompt Favorite Logistics not to do so.
8. If the supplier does not recall the rejected delivered goods within ten working days, Favorite Logistics has the right to return the goods at the supplier's risk and expense.

#### **Article 17 Liability and fine**

1. The supplier is responsible for and is obliged to compensation for all damage (including costs) which Favorite Logistics suffers because of, or in connection with the execution of the agreement. Excepted are damages as a result of production failure and/or lost profits, unless it is a matter of gross negligence (gross guilt) or intent on the supplier's part.

2. The supplier indemnifies Favorite Logistics against all claims of third parties on compensation of damages as meant in paragraph 1 of the article in question. Third parties are also understood to mean personnel of Favorite Logistics and those who work by order of Favorite Logistics.
3. The supplier indemnifies Favorite Logistics against all claims of third parties concerning the infringements committed on agreements concluded between them and/or violations of legal provisions.
4. Unless guilt of (personnel of) Favorite Logistics is proven, Favorite Logistics is not liable for any damage, including damage as a result of destruction or missing of property, which might arise for the supplier.
5. The supplier is obliged to insure herself against her liability and risks as sufficiently described in the previous paragraphs.
6. The supplier fails, from the agreed date of delivery, in the fulfilment of an obligation, without the requirement of proof of default for this, if the supplier does not deliver the goods on the agreed delivery date or does not in accordance with the agreed obligations deliver the goods or carry out the work on or before the agreed delivery date. If work has *not* been done within the agreed term at the agreed place, or goods have not been delivered which fulfil the agreement, the supplier who is in default owes Favorite Logistics a fine, due on demand, of 1% of the price of the work or goods concerned, increased by the sales tax, for every day that the shortcoming continues, up to a maximum of 15%. If the performance remains permanently impossible, the fine is payable in its entirety.
7. The right to the fine as mentioned in paragraph 6 of this article, leaves Favorite Logistics's right to claim the fulfilment of the agreement intact, as well as the right to claim compensation insofar as the damage exceeds the amount of the fine.

#### **Article 18 Cancellation, annulment and non-imputable shortcoming**

1. Favorite Logistics has at all times the authority to cancel the agreement between times by means of a written notification to the supplier, providing sufficiently significant reasons are given.
2. Immediately after reception of the written notification the supplier will stop the execution of the agreement. Favorite Logistics and the supplier will then consult with each about the consequences of such a termination, whereby the supplier has the right to a reasonable compensation, not being compensations concerning production interruption, lost profit and suffered loss. That which has been stipulated in this paragraph does not apply to the cases mentioned in the paragraphs 3 and 5 of this article.
3. If the supplier fails in the fulfilment of the agreement, or if the supplier should reasonably be considered not being able (anymore) to fulfil her obligations, as well as if by the supplier or by one of his subordinates or representatives any benefit is offered to an employee of Favorite Logistics or in case of bankruptcy or moratorium and in case of shut down, liquidation or takeover or any comparable condition of the supplier's company, the supplier is legally in default and Favorite Logistics has the right:
  - a) to wholly or partly terminate the agreement unilaterally by means of a written notification to the supplier, if the non-fulfilling supplier does still not fulfil the obligations within thirty days, or within another term, stipulated by Favorite Logistics, after reception of the notification;
  - b) to defer or settle payment obligations;
  - c) to assign the execution of the agreement wholly or partly to third parties for the supplier's account, all this without Favorite Logistics being obliged to any compensation and without prejudice to possible rights Favorite Logistics is entitled to, including Favorite Logistics's right to complete compensation, fine and fulfilment.

4. All claims, which Favorite Logistics in these cases might have against or might obtain from the supplier, will be payable immediately and to the full, increased by the collection charges.
5. Insofar as a shortcoming in the fulfilment of an obligation under the agreement *cannot* be imputed to the supplier (*force majeure*), he will not be in default, he is not obliged to compensation and does not owe a fine, providing the supplier has notified Favorite Logistics in writing immediately and at least within the term agreed for the fulfilment of the obligations, of the shortcoming and the cause thereof. At any rate, a non-imputable shortcoming is not understood to mean: lack of personnel, strikes, sickness of personnel and shortcomings by third parties called in by the supplier, whether or not as a consequence of force majeure.
6. If the supplier refers to non-imputability of the fulfilment, Favorite Logistics is authorized to defer her payment obligations. If the non-imputable non-fulfilment lasts longer than two months, Favorite Logistics can annul the agreement by registered mail to take effect at once, without any right of compensation arising from that.

#### **Article 19 Disputes, competent judge and applicable law**

1. Disputes between parties, including those which are considered such by one of the parties, will as much as possible be resolved by mutual consultation.
2. If parties fail to come to a solution, disputes will be brought before the competent judge in the district in which Favorite Logistics has her domicile (Court of Arnhem), save insofar as compelling rules would hinder this choice.
3. To the agreement (and all resulting agreements) these GTCB are part of, the Dutch law applies. Application of the 1980 Vienna Convention on the International Sale of Goods (CISG) is explicitly excluded.

#### **Article 20 Language**

These GTCS will be filed in both the Dutch and the English language. In case of any difference between the Dutch and the English text of these GTSC, the Dutch text will prevail.