

GENERAL CONDITIONS OF PURCHASE

Hitec Power Protection B.V.

registered with the Chamber of Commerce under registration no. 06078910
having its place of business at Almelo Bedrijvenpark Twente No. 40.

Article 1 - Application

- These General Conditions of Purchase apply at all times to all legal relationships between Hitec Power Protection B.V. and its group companies (hereinafter referred to as: "Hitec") and the client with respect to the purchase of goods and services and the contracting of personnel and materials (hereinafter referred to as "the Work") by Hitec and any disputes arising from such. There were these General Conditions of Purchase mention "we/us" and such, this refers to Hitec.
- The applicability of other terms and conditions, including general terms and conditions (of sale) of the contractor is expressly excluded. Deviations from and/or additions to these General Conditions of Purchase shall only be binding if and in so far as these have been accepted in writing by Hitec. In these General Conditions of Purchase, "in writing" is also understood to mean by fax or by other electronic medium such as email.

Article 2 - Establishment of the agreement

- An offer, price quotation or other proposal issued by the contractor is irrevocable and valid for a minimum of ninety (90) days. The costs for the issue of an offer, price quotation or other proposal shall be for the account of the contractor.
- An agreement is established at the time the irrevocable offer of the contractor is accepted by Hitec by sending an order or by the signing of an agreement by both Parties.
- All our change orders must be confirmed by the contractor by returning a signed copy of the change order within 7 days, unless the order states another deadline.
- Changes of and additions to the agreement shall be binding only if agreed to in writing.

Article 3 - Warranty of quality and properties of the Work

- The contractor explicitly warrants:
 - that the Work is complete in every respect and is suitable for the purpose for which it is intended;
 - that the Work will fully comply with the requirements as per the agreement, specifications, drawings, calculations and/or other documents furnished by us;
 - that the Work shall at least comply with the applicable laws and regulations, unless stated otherwise in the agreement;
 - that to the extent the Work is carried out on a site outside the contractor's premises and/or sites, the contractor shall strictly comply with any applicable laws, regulations or by-laws and with any rules and regulations declared applicable by us or our customer for such location;
 - that the Work will be of good quality and free from defects in design, workmanship and/or materials and that for the execution of the delivery new materials and skilled labour will be used or engaged;
 - that, if the Work also consists in making available manpower, these services will comply with the legal regulations, and the skill and workmanship of such manpower will comply with the agreed standards or, if no specific standards have been agreed, with the generally recognized standards, and that the agreed manpower will remain continuously available throughout the agreed period.
- If in the agreement and/or its attachments reference is made to technical, safety, quality or other regulations not furnished along with the same, the Seller shall be deemed to have full knowledge thereof except to the extent that he disclaims such knowledge in writing without delay.

Article 4 - Interim inspections, examination and tests

- Hitec shall be entitled at all times during the execution of the Work to inspect, examine, test, or check the progress of the delivery, including any associated matters and/or work or to have these activities performed by others on our behalf.

For this purpose, the contractor shall, within reasonable limits, provide such labour and material assistance, shall afford to the persons or agencies designated by us free access to the place where the agreement is being carried out and it shall make available accommodation suitable for the interim inspection, examination or test.
- If interim inspections, examinations or tests have been agreed which are to be carried out on the initiative of the contractor, it shall notify us in advance in writing of the proposed date of inspection, examination or test in order that, if we so wish, we may attend or be represented at the same.

If and to the extent that interim inspections, examinations or tests have been agreed which are to take place on our initiative, the above shall apply correspondingly.
- All costs associated with the interim inspections, examinations or tests shall be borne by the contractor, with the exception of the costs of our personnel or of other representatives who attend the same on our behalf.

If an interim inspection, examination or test cannot take place on the proposed date, or if any interim inspection, examination or test was to be repeated, we shall be entitled to recover any associated costs from the contractor to the extent that such delay or repetition can be attributed to the contractor.

A similar right shall accrue to the contractor if and to the extent that the delay or repetition can be attributable to us or our customer.

- In case of rejection, we shall notify the contractor thereof without delay and with statement of reasons.

In that event, the contractor must repair or replace the rejected part within a deadline determined by us.
- If the contractor uses subcontractors or sub-suppliers in the execution of the Work, it shall impose the provisions mentioned in this article on our behalf to these subcontractors or sub-suppliers.
- Interim inspection, examination or test, or the omission thereof, shall not imply acceptance.

Article 5 - Final inspection, acceptance

- A written confirmation by us that the Work has passed the final inspection or test shall constitute acceptance thereof, without prejudice to the provisions of paragraph 4 of this article.
- If the Work is subject to a final inspection or test, the conditions laid down in article 4 shall apply correspondingly. The contractor shall remediate defects in the Work which occur during the final inspection as soon as possible, at no cost to us.
- If and to the extent that it has been agreed that the Work shall have properties of which the presence can only be ascertained after installation, assembly or building-in of the delivery, then the final inspection or testing of the delivery shall take place as soon as the delivery or the object for which the delivery is intended is ready for such purpose.
- If and to the extent the provisions of certificates, official documents, assembly instructions, maintenance and operating instructions, drawings or other documents, or training and instruction has been agreed to, then these shall constitute a part of the Work and acceptance is not deemed to have taken place before the delivery or the provision thereof has taken place.
- The contractor authorises us to use the Work even prior to the acceptance thereof.

Article 6 - Packaging and shipping

- The contractor shall provide such packaging and/or protection of the Work as is required to ensure that under normal transport conditions the Work will arrive in good condition at the place of destination and can be safely unloaded there.

The contractor shall strictly comply with such special instructions as we may issue in respect of the packaging and/or protection.
The packaging shall comply with the relevant legal regulations.
- The contractor shall strictly comply with our instructions in respect of the preservation, marking, shipping, transport insurance and shipping documents.
- Shipments which do not comply with the provisions in this article may be rejected by us.
- We reserve the right to return to contractor at its own risk and expense any packaging material, such against reimbursement to us of the costs charged to us by the contractor for such material.

The contractor shall insure and exercise all reasonable care in respect of packaging lent by us and shall be returned to us upon request.
- The contractor must, simultaneously with the delivered Work, submit all quality and warranty certificates, inspection information, Dutch user manuals, instruction booklets, drawings, specifications, technical and revision information and, if necessary, a EU declaration of compliance and the respective (technical) file. The documents are part of the delivery and consequently become the property of Hitec. If we believe, given the nature of the delivered Work, such to be desirable, the contractor shall provide an operating and maintenance training to (personnel of) Hitec and (possible) third parties engaged by us at no cost.

Article 7 - Transfer or ownership and risk, right of retention

- Unless determined otherwise in these General Conditions of Purchase or in the agreement, the ownership of and the risk for the Work shall transfer to use upon the delivery thereof in the agreed place. The contractor guarantees towards us that the full and unencumbered ownership is transferred.

If payments are effected before delivery, ownership shall be transferred to us at the time of payment in the amount of the payment. Any commercial terms which appear in the agreement such as the Incoterms, f.o.b., c.i.f., shall be used in accordance with the definitions provided in the edition of the Incoterms which was in force on the date of the establishment of the agreement, without prejudice to paragraphs 2 and 3 of this article.
- If we provide goods to the contractor for production or processing, or for the purpose of being fitted together with or incorporated in other goods which are not our property, then we shall remain the owner or we shall become the owners of the goods so created. The contractor shall mark such goods conspicuously and shall bear the risk of loss thereof or damage thereto until the same has been delivered to us or to a third party as designated by us.
- If we provide goods to the contractor for assembly or to test or commission already assembled goods, and in case we order the supervision of the assembly of these goods, the contractor shall bear the risk for the goods from the time said goods are made available until acceptance by us of the Work. If

the contractor delivers as well as assembles the goods or is tasked with the supervision thereof, it shall bear the risks for the goods until the acceptance thereof by us or, in the absence of acceptance, during a reasonable time after completion.

4. The contractor does not have a right of retention or suspension with regard to the Work.

Article 8 - Date of delivery

1. The contractor shall recognise that observance of the time(s) laid down in the agreement is of the essence. All agreed times are considered hard deadlines.
2. If the contractor fails to comply with his obligations pursuant to paragraph 1, we shall have the right, without serving a formal notice of default and without prejudice to any other rights we may have, to dissolve the agreement in whole or in respect of the uncompleted part thereof, and to have the remaining work carried out by third parties at contractor's expense. In that case, the contractor shall be liable for all direct and/or indirect damages we may incur as a result of the late delivery, also including damages and penalties of our customer.
3. As soon as circumstances arise or can be foreseen which impede or may impede, as the case may be, the contractor in fulfilling his obligation according to paragraph 1, it shall notify us thereof in writing without delay, stating the nature of such circumstances, the remedial steps taken or to be taken by it and the probable extent of the delay, failing which it shall not be entitled to claim relief by reason of such circumstances at a later date. The contractor will not be entitled to invoke force majeure if it has not fulfilled this obligation.
4. The contractor is not permitted to make partial deliveries. We are authorised to reject work that is only performed partially with respect to the agreed Work.
5. We reserve the right to change the order, the delivery address and the time of delivery of the Work to be performed, without being obligated to compensate any damage and costs towards the contractor.
6. We have the right to suspend the performance of the Work for a period of no more than sixty (60) calendar days. Any costs which shall arise from this for the contractor shall be for the account of the contractor.

Article 9 - Warranty to remedy defects

1. The contractor warrants the adequacy of the Work it has performed. This warranty shall at least include that:
 - a) the Work is performed in accordance with the requirements which may be imposed on proper workmanship;
 - b) the Work is suitable for the purpose for which the agreement is concluded and has the promised and expected features;
 - c) the goods are new, of good quality and free of faults with regard to design, processing, manufacturing, construction and measurements and offers the safety one is entitled to expect from such;
 - d) the Work is in accordance with the agreed specifications and is free of defects;
 - e) all applicable national and international regulations with regard to the Work have been observed.
2. The contractor warrants that it shall repair, at its expense, any defects in the delivery which may appear or occur for a period of 24 months from date of acceptance or commissioning of the Work or of the object for which the delivery is intended, as the case may be, the latter point of time determining the start of the warranty period, unless a different period has been defined in the contract, save to the extent that the contractor proves that such defects have not arisen from defective design or workmanship or, if the delivery comprises the supply of goods, from defective materials supplied by us. The contractor shall, at its discretion, remediate such defect either by repairing or by replacing the defective Work or any defective part thereof within a reasonable period of time.
3. The contractor shall bear all costs which must be incurred to repair defects for which it is liable pursuant to article 1, including but not limited to assembly and disassembly, transport costs, costs for parts, stagnation costs, missed savings, loss of profits and other consequential damages.
4. In the absence of proper compliance and/or compliance with such within the set deadline, as well as in urgent cases, we shall have the right to carry out or have carried out the necessary actions at the contractor's risk and expense.
5. The period as referred to in the first paragraph of paragraph 1 above shall be extended by a period equal to the period during which the Work or the object for which it is intended cannot be put to the use intended as a result of a defect which can be attributed to the contractor. In respect of the repaired or replaced parts of the Work, the warranty period as mentioned in paragraph 1, first section, shall recommence from the date that the repaired or replaced parts are put into use.
6. The ownership of and the risk for the goods to be replaced based on the abovementioned repair obligation, shall lie with the contractor from the time or replacement. It must pick up such goods as soon as possible, unless we ask that the replaced goods are made available to us for inspection.
7. The contractor shall bear all risks of loss or damage to the auxiliary equipment and tools used by it in the execution of the Work unless we are guilty of deliberate intent or gross misconduct.
8. The conditions expressed in the preceding paragraphs of this article and/or in the other articles of these General Conditions of Purchase shall not relieve the contractor from any further liability imposed upon him by the applicable law.

Article 10 - Indemnity

1. In addition to article 9 of these General Conditions of Purchase, the contractor shall indemnify us against all claims from third parties which arise from or are related to the Work delivered by the contractor.
2. The contractor is responsible for and shall indemnify us against any claim by third parties regarding damage or penalties which are the direct or indirect result of (i) an attributable failure in the fulfilment of the obligations towards Hitec or of (ii) the unlawful actions or neglect of the contractor. The contractor shall be fully liable for the acts or omissions of its personnel or that of third parties engaged in the execution of the Agreement as if it concerns its own actions or omissions.
3. The contractor is liable and indemnifies us in the context of Sequential Liability ["Ketenansprakelijkheid"], Fraudulent Schemes ["Aanpak schijnconstructies"] and related regulations for:
 - (i) all (wage) claims, tax claims and/or penalties that are demanded from us

- (ii) all penalties imposed on us by the competent authority by the Sequential Liability Act, Fraudulent Schemes Act and related regulations,
- (iii) costs and damages, including legal assistance costs, which we incur as a result of the non-compliance by the contractor or by third parties engaged by it.

4. Insofar as, during the term of the agreement, the tax authority or another government authority enforces a claim concerning tax obligations against us, we will at all times be entitled – without prior legal action necessary – to dissolve the agreement.
5. We are entitled to require of contractor to open a guarantee account at the bank for payment of chargeable contributions and taxes. We are authorised to transfer part of the agreed price to this guarantee account. Payment made to this guarantee account will go to reduce the agreed price. If the contractor refuses to open a guarantee account, or does not agree with our payment of a part of the price to this guarantee account, we will be entitled – without prior legal action necessary – to dissolve the agreement.
6. Any personnel put at our disposal shall at all times remain in the employ of the contractor. Upon our first request, the contractor shall, with a maximum of once per quarter, submit an auditor opinion stating that all amounts payable by law regarding personnel put at our disposal have been paid to the designated authorities.

Article 11 - Ownership of risk and care of tools, drawings, etc.

1. Any auxiliary items such as drawings, patterns, moulds, dies, gauges or specific equipment required for the execution of the Work, made available by us to the contractor or manufactured or procured by him at our expense shall be, remain or become our property.
2. The contractor shall keep these auxiliary items in good condition, mark them conspicuously as our property and bear the risk of loss of or damage to the auxiliary items until they have been delivered to us.
3. The contractor undertakes to use, or to have used, said auxiliary items solely for the purpose of the execution of the contract. It shall not, without our prior written consent, use, copy or multiply the auxiliaries for other purposes, nor shall it in any way disclose or surrender such to third parties.

Article 12 - Transfer of rights and obligations

The rights and obligations which arise for the contractor from this agreement may not be transferred, in whole or in part, and the contractor shall not transfer such to third parties without our prior written permission. Such permission shall not change the fact that the contractor shall, in addition to this third party, remain liable for all obligations which arise from the agreement.

Article 13 - Cancellation and termination

1. In the event the contractor imputably fails in the fulfilment of (one or more of) its obligations pursuant to the agreement, we shall have the right, without further notice, to dissolve the agreement in whole or in part without being obligated to pay any compensation and without prejudice to our other rights.
2. We have the right, without further notice, to dissolve the agreement in whole or in part with immediate effect (or to terminate such by means of cancellation), without being obligated to pay compensation and without prejudice to our other rights if:
 - a) the contractor (natural person) dies;
 - b) the contractor applies for suspension of payments or is in a situation of suspension;
 - c) the contractor is declared bankrupt or its bankruptcy was applied for;
 - d) there is a strike or liquidation of the company of the contractor;
 - e) there is a substantial change in the shareholding and/or control within the company of the contractor;
 - f) an attachment is levied on a significant part of the assets of the contractor, which attachment shall not be cancelled within a foreseeable period of time.
3. Without prejudice to the other provisions in these General Conditions of Purchase, we are entitled at all times to terminate or cancel an order in whole or in part. In that case, we shall only compensate the contractor for the reasonable costs it incurred prior to the cancellation.
3. All claims we may have or will have against the contractor in the event of the termination of the agreement shall be payable immediately and in full. All permitted legal extrajudicial costs, expressly including the costs for the sending of notices, the submission of (settlement) proposals and other extrajudicial actions, and the legal costs associated with the enforcement of our rights towards the contractor, shall be for the account of the contractor.

Article 14 - Price and payment

1. Unless determined otherwise in the agreement, the price agreed shall be firm and binding, DDP place of delivery, excluding VAT and including proper packing.
2. Price increases as a result of additional deliveries may only be passed on if these were accepted by us in writing.
3. Unless otherwise agreed, the prices are in euros; any differences in the exchange rates shall be for the account of the contractor.
4. Payment takes place after receipt of a correct invoice and after delivery and acceptance of the Work. The payment period is 90 days or within 8 days with a deduction of 2% discount after receipt of the invoice or acceptance of the Work, whichever is latest, unless agreed otherwise.
5. We do not make prepayments, unless otherwise stated in the order; in that specific case all prepayments will be considered as a loan towards the contractor until the Work has been completed in full. In case of prepayment, the contractor must provide a bank guarantee, the contents of which has to be accepted by us in advance. If the Work does not comply with the final inspection or final test, the loan will be immediately payable and the bank guarantee will be immediately collectable. Invoices which were not prepared correctly and which, for example, do not contain enough information for processing, such as order numbers, etc. shall not be accepted by us and shall be returned by us for correction.
6. More and less work is only accepted by us if agreed in writing in advance.
7. We are authorised to suspend the fulfilment of any obligation towards the contractor in case we have founded reasons to assume that the contractor

does not or did not fulfil its obligations under the agreement. In case of a dispute about an invoice, we are authorised to suspend the payment until the time the dispute is resolved. We are at all times entitled to offset the claims of the contractor towards us with our own (whether or not payable) claims against the contractor. The contractor may never offset its obligations towards us under the agreement with any claim it may have against us under any legal relationship.

Article 15 - Place of delivery

1. The place of delivery is indicated in the order, in the absence whereof delivery takes place at the main office of Hitec.

If the contractor has provided us with a wrong delivery address, the additional shipping costs shall be for the contractor's expense.

2. If the delivery is agreed to "EX WORKS", the delivery must yet take place at the location which follows from paragraph 1, in which case the preapproved reasonable shipping costs may be charged to us.

3. If goods are picked up by us, the contractor will be obliged to assist us with the loading thereof free of charge.

Article 16 - Infringement of patents, licences etc.

The contractor declares that the Work does not infringe on any rights of third parties (including those of intellectual property), or are subject to any dispute regarding rights of third parties, as well as that the use thereof is also not otherwise unlawful towards third parties, and the contractor indemnifies us against any relevant claims.

Article 17 - Secrecy

The contractor undertakes to maintain the strictest secrecy towards third parties in respect of any information it may receive in the broadest sense of the word about our company in connection with the agreement, including information about instructions, patterns, drawings, schedules, designs and such. The contractor is not entitled, without our prior written consent, to disclose to third parties the existence of the agreement in brochures, advertisements, its website or otherwise through the media or in writing.

Article 18 - Competent court

All disputes (including those regarded as such by only one of the parties) arising from or in connection with the agreement or from subsequent agreements, shall be subject exclusively to the judgement of the District Court of Overijssel in Almelo.

Article 19 - Applicable law

The agreement and all subsequent agreements shall be governed exclusively by Dutch law.

The applicability of the Vienna Sales Treaty (CISG) is expressly excluded.