

GENERAL TERMS AND CONDITIONS OF HDW NEDERLAND B.V. WITH ITS REGISTERED OFFICE IN RIDDERKERK AT NIKKELSTRAAT NO. 26, FILED AT THE CHAMBRE OF COMMERCE OF ROTTERDAM DATED 05 FEBRUARI 2007.

GENERAL TERMS AND CONDITIONS

General

These terms and conditions are applicable to all our offers, orders, contracts of sale, rental and lease agreements, supplies of goods, and all cases in which services are performed by us, repairs included.

Any deviations from these terms and conditions shall be valid only if and to the extent that they are confirmed in writing by our Executive Board and only for the purpose of the agreement in which contrary stipulations were made.

Our company shall observe due diligence in executing all orders of its clients, thereby taking into account their justified interests to the best of its ability.

For the purpose of the following, "us" is taken to mean "our company" in its capacity of offerer, seller, lessor, supplier, contractor, executor, repairer, and the like.

We are always entitled to amend or supplement these terms and conditions. Principal shall be informed by us on this matter. However, amendments or supplements shall not be applicable to agreements that were concluded prior to such amendments or supplements.

Offers and agreements

All our offers, tenders and quotations are always non-binding and shall be made on the basis of the prices and specifications prevailing at the time of the order.

Contracts of sale and rental and lease agreements shall be established, like amendments and additions thereto, after our Executive Board has approved and/or endorsed the agreements.

Each agreement shall be concluded by our company on the condition subsequent that the principal turns out to be sufficiently solvent; if our Executive Board so desires, the principal shall provide proper security for fulfilling his obligation.

In this case and also in the event that the legal form of the principal is changed after the purchase agreement has been established, only we, and not the principal, are entitled to wholly or partly dissolve an agreement, without any intervention of the court being required, while we are not bound to pay any compensation to the principal.

The seller and/or lessor shall not be liable for any errors and deviations from representations, drawings and statements of measurements and weights, appearing in price-lists and for offers and/or order confirmations. They are deemed to have been provided approximately; drawings and the like shall remain his property and may not be copied or furnished to third parties without his permission.

Any additions and/or contrary undertakings rendered at a later date shall be valid only to the extent that our company has confirmed them in writing.

Deviations with reasonable tolerance shall not grant the other party the right of recovery, compensation of damage or any other right.

Terms, Delivery Times and Force Majeure

Delivery times and repair times are non-binding and shall be stated only approximately, unless expressly agreed otherwise in writing. Terms stated shall be from the date of the purchase agreement, the delivery order or the rental agreement.

If a term stated, other than through force majeure, is exceeded by more than three months, the principal, after a written notice of default by stating a reasonable last term, shall be able to cancel the order.

For the remainder, the following shall apply:

In case of suspension by exceeding specified delivery time or repair time for any reason whatsoever, the principal is never entitled to dissolve the agreement, either in part or as a whole, or have same dissolved, nor shall he have a right to compensation. Nor has the principal the right to refuse the performance by us or payment to us.

Force majeure shall release us from any contractual and other obligations of any nature or by any reason whatsoever.

Force majeure shall be taken to mean:

(civil) war and insurrection, also outside the Netherlands; epidemics; fires and other interruptions of operations in our company or the company of suppliers; delay in the supply of goods; cessation of the production of the sold model, or the (ongoing) default of suppliers with regard to goods ordered by us or activities assigned to us; transportation problems, strikes, exclusion, stoppage; theft or embezzlement from our warehouses or workplaces, including theft and/or damage and/or loss of any object given in repair or in store, and/or during transportation and similar circumstances and events; as well as any circumstance hampering the normal business operations of our company, as a result of which fulfillment of the agreement cannot in reasonableness be demanded from us.

If any interim changes are made to a purchase and/or order to carry out activities or the execution is delayed by circumstances attributable to the purchaser, the delivery time or performance of activities shall be extended by the duration of the additional activities necessary as a result of these changes or of the suspension.

In case of termination of the agreement by us, said agreement shall be dissolved by operation of law without any judicial intervention being required. Any instalments already paid shall then, if no activities, supplies, etc. have taken place, be refunded by us to the principal.

Delivery

Delivery shall be effected ex company; if delivery elsewhere has been agreed upon with the principal, the additional costs involved shall be for the account of the principal, unless expressly agreed upon otherwise in writing.

The risk of the goods shall pass to the principal at the time that the goods have been set apart for the purpose of the principal in our companies or elsewhere.

The goods shall always be conveyed for the account and risk of the principal.

The delivery shall be deemed to have taken place as soon as we have informed the principal that the goods can be picked up as from a specific date. At the time of the aforesaid notification, the principal shall be liable to pay our company.

The principal shall be bound to pick up the goods within one week after the aforesaid notice, unless he has made a contrary arrangement with our Executive Board in writing. If the goods are not picked up within this term, the principal, notwithstanding the provision under "attributable shortcoming in fulfilment", shall be bound to pay an amount of storage charges to be established by us. Moreover, we shall be entitled to arbitrarily sell the goods in accordance with the provisions for the attention of retention of title, if the principal after a repeated written notice is in default of picking up the goods, without prejudice to our rights arising from the provisions under "attributable shortcoming in fulfilment".

Upon delivery of the goods, the goods are not insured by us and any road-tax due has not been paid by us.

If no further directions were given to us by the principal, the manner of packing, transportation, and the like shall be determined by us with due care, without bearing any liability in this regard.

Prices

Our prices are net prices. No deductions or discounts can be applied, unless agreed otherwise and confirmed in writing by our Executive Board.

If after the entering into the agreement prices of materials, raw materials and semi-manufactured articles, wages, premiums, levies and other rights, carriage, taxes, exchange rates and/or other factors that help fixing the price of the goods or services, including prices that are charged to us by our suppliers, are changed, we shall be entitled to adjust our prices accordingly. Such a price adjustment shall never give the principal the right to dissolve the agreement and/or cancel the delivery order. In consumer agreements, in which an interim increase is applied by us within three months after the agreement has been entered into, our principal is expressly given the chance to invoke dissolution of the agreement.

If at the request of principals or due to the lack of data or instructions or other causes on the part of the principal the execution of the order is delayed, all prices of our company shall be increased by the additional costs, including loss of interest, incurred by our company as a result.

When we offer goods for sale upon payment in other foreign currency, we shall reserve the right to pass on price-increasing exchange rate movements of the Euro in respect of that currency to the principal, as long as these goods have not yet been delivered.

Payment

Unless otherwise agreed upon in writing, payment is to be effected in cash to our company or into a bank/giro account to be determined by us upon the delivery of the goods or immediately after performing services, without any discount or right to compensation being allowed.

We shall always be entitled to demand from the principal full or partial payment in advance of or down payment of the agreed amount.

In case of purchases or rent on account, which shall take place only after prior written permission of our Executive Board, payment shall be due within 14 days after the date of invoice.

We are entitled to suspend the fulfilment of our obligations if the principal has failed to pay the purchase price due.

Attributable shortcoming in fulfilment

If the principal has not picked up the goods within one week after the notice referred to under "delivery" sub 3, if he has not or not duly or only partially fulfilled his payment obligations, or fails to fulfil any other provisions of the agreement concluded with him or if he fails to fulfil these terms and conditions completely or in a timely manner, and if his goods are seized, if he files a petition for a suspension of payments or a bankruptcy petition, dissolution of the agreement entered into between parties shall be effected forthwith on that date via a written notice to the principal. In that case the amount payable to us by him shall be immediately exigible in full – regardless of any previous engagements regarding the manner of payment – including an increase of 15% of the total gross invoiced value of the goods delivered or to be delivered without prejudice to our right to suspend the execution of the agreements still in effect and/or dissolve said agreements fully or partially, such as at our discretion, after written notice to the principal without any obligation to pay compensation to the principal.

If the principal is in default of fulfilling his payment obligations in full or in a timely manner, he shall owe us interest of 1.5% per month on the outstanding amount, without prejudice to the provisions in the previous paragraph, to be calculated from the date of invoice until the date of full payment.

If the principal is in default, all expenses and costs, both judicial and extrajudicial, including the costs of legal assistance provided to our company shall be for his account – such without prejudice to the increase of 1.5% referred to sub paragraph 1 – with a minimum of 15% of the principal sum plus the turnover tax due.

Retention of title

If the goods have been supplied before the relevant invoice, payable or not, has been paid to us in full by the principal – in some cases increased by costs and/or expenses – these goods shall remain our property, until the date of full payment.

As long as the payment of the goods has not been made in full, the principal shall not have the right to alienate or encumber the goods, give said goods in non-possessory pledge, lease, pledge or allow third parties to use same on loan however described or in any way bring them outside his company. Nor shall the principal have the right to not leave the goods in their original form, or to change them through specification, accession or confusion of property.

As long as the goods are our property pursuant to the provisions in the previous paragraph, the principal shall be obliged to sufficiently insure these goods against fire, theft, claims of third parties and own risk for his own account. The principal shall be obliged in some cases to transfer his rights arising from the insurance policy concerned to us. Upon first request, the principal shall specify for us the insurance company involved.

In case of attributable shortcoming in fulfilment, as described, we are entitled to take back our goods, after written notice to the principal that the agreement has been dissolved and to retain them with the right to sell. If these goods have been processed into a new product by the principal contrary to the above, the principal shall be bound to immediately pay compensation in full.

In the aforementioned case the purchaser shall be obliged to notify us in writing, if third parties invoke (alleged) rights to goods subject to retention of title as stated.

Guarantee

We guarantee new goods supplied by us insofar as the manufacturer's guarantee and/or that of our suppliers sees to it;

We shall not be liable to the principal, except insofar as it ensues from the guarantee provided pursuant to paragraph 1. In respect of damage arising either directly or indirectly from the use of the goods supplied or repaired by us, unless caused by own intent and/or gross negligence on our part, we shall never be liable, such, however, subject to stipulations of mandatory law regarding (product) liability, such in particular if the damage was caused by ignoring directions on our part, inexperience/careless actions, repairs carried out by others and use outside normal business operations. The principal shall be obliged, on pain of expiry of our guarantee clause mentioned in the previous paragraph, to notify us immediately upon finding a shortcoming by registered letter. He shall also be obliged to keep the faulty part and return it to us (post-paid), if we so desire.

Costs of repairs and/or materials, which may fall under the guarantee provided by us shall be paid inclusive of additional costs immediately and in accordance with the provisions under "payment".

Restitution shall be granted in case of acceptance of the guarantee claim by the manufacturer and/or supplier and up to an amount not exceeding the amount thus reimbursed to us.

Our guarantee obligation shall lapse if the principal fails to meet his payment obligations. The principal shall never be entitled to refuse payment to us for the reason that we have not yet (entirely) fulfilled our guarantee obligations towards him.

No guarantee shall be provided on used goods supplied by us, unless expressly agreed upon and confirmed by our Executive Board in writing.

Our liability is limited, save for provisions of mandatory law regarding (product) liability in case of a failure to fulfil guarantee obligations, to the costs of repair/replacement by third parties, such, however, only after proper notice of default stating a reasonable term.

Liability

Save for the generally prevailing laws of public order and good faith, as well as provisions of mandatory law regarding (product) liability, we shall not be held to pay any compensation for loss, of any nature whatsoever either directly or indirectly, to persons, to movable and/or immovable property, both with the principal and with third parties. Any claim regarding consequential and/or loss of profits and/or injury to persons located in, on or near that object, or carry out activities for that object is excluded. In any case we shall not be liable for damage arising from or caused by the use of the object supplied or by the unfitness thereof for the purpose for which the principal bought it. As from the time of delivery the goods shall always and exclusively be for the risk of the principal (see "Delivery").

With due observance of the provisions stated in the above passage we, by simply collecting the goods supplied by or on behalf of the principal, shall be indemnified against any claims of the principal and/or third parties to pay compensation, regardless whether the damage was caused by manufacturing or composition faults or by any other causes.

Nor are we liable for any damage whatsoever, caused to persons, goods, both movable and immovable, or the (living) environment in the broadest sense, caused in connection with goods supplied by us and/or activities carried out by us, such if said damage is caused by persons subordinate to us who are engaged by us for the execution of the activities, on the condition that there is no intent or gross negligence.

Liability towards third parties

Liability towards third parties arising directly or indirectly from the presence and/or the use of goods supplied by us shall always be for the account of the principal and he shall fully indemnify us in this regard.

Liability, risk and insurance

The principal shall be obliged to insure the objects, on which or from which activities will be carried out by us, against damage caused by fire or storm for his own account. We can never be held liable for losses for that reason from the time that the goods were delivered.

Restriction of liability shall always be effective if and insofar our liability insurers grant no coverage in respect of damage, in the execution of the agreement(s), caused to us and/or to third parties.

Statutory regulations

The goods shall meet the statutory regulations applicable in the Netherlands to operation, transportation and safety on the date that the agreement is concluded.

Should there be any amended statutory regulations between the date of the taking effect of the agreement and the delivery and the commencement of operations, respectively, the relevant goods shall be adjusted to these new regulations as soon as possible. Any costs connected hereto shall be for the account of the purchaser. If we have any objections against the application of the amended regulations, we shall be obliged to notify the purchaser on these objections. If the purchaser – non-consumer demands that amended regulations be applied, he shall express this wish to us in writing.

Repairs and Trade-in

Notwithstanding the other provisions, in case of repairs or trade-in of goods the following provisions apply: When upon the purchase of a new “machine” on trade-in of a used “machine”, the purchaser of the new machine in anticipation of the delivery thereof continues to use the machine to be traded in, the machine to be traded in shall become the property of our company, after actual delivery thereof to us has taken place. Until that time all costs, losses and fall in value, as a result of the use, losses or lack of maintenance, shall be for the account and risk of the purchaser of the new machine.

A change or increase of the agreed price of the new machine in accordance with the provisions sub “prices” shall not result in a corresponding change or increase of the trade-in price, unless expressly agreed upon in writing.

We are entitled to revised the agreed trade-in price in case of extension of the delivery time of a new machine.

Repair and/or maintenance activities carried out by us and/or by third parties after we have outsourced such activities shall be guaranteed by us during a period of three months calculated from the time of completion of the activities, provided that the client in principle immediately after finding the fault, but no later than eight days after this finding, reclaims and we are given the opportunity to remedy the fault. Any claim to this guarantee shall lapse of third parties carried out activities without our knowledge and permission that can be connected to the activities carried out by us previously in respect of which the guarantee is invoked, unless the absolute necessity of immediate remedy has taken place and this can be demonstrated by means of the data supplied by the relevant repairer.

Replaced materials or goods shall be transferred to the principal, if the principal expressly so requested when giving the repair order. In all other cases the principal shall be deemed to have unconditionally relinquished these materials and goods for our benefit, without being able to claim any compensation.

Assembly, Installation, Set-up and Commencement of Operations

All assembly, installation, set-up and commencement of operations activities, as well as all additional activities, which are not part of the assembly, with due observance of the legal rules of public order and good faith, except insofar as expressly agreed upon otherwise in writing, shall be for the risk and account of the principal.

Lease-General

Lessor is always HDW Nederland B.V.

Lease shall always be effected on these terms and conditions and in writing by separate rental agreement.

Lease-Price

The term of lease shall be working days of 8 hours; in the event of work at night and/or on Saturdays and Sundays, this extra time shall be charged on the basis of the applicable rate.

Operation, daily maintenance and fuel have not been included in the rent. Non-use of the leased property does not grant the right to reduction of the rent or suspension of the agreement, unless the non-use is the result of a defect that according to these terms and conditions should be for the account of the lessor.

When a cost price component of the rent stated by the lessor is raised during the agreement (for example materials, wages, turnover tax, and the like), the lessor may raise the rent proportionally; however, if this happens within three months after the agreement has been entered into, the lessee shall be free to cancel the agreement in writing. If an arrangement by the authorities forms an obstacle in this regard, the lessor shall be entitled to prematurely terminate the rental agreement, without being obliged to pay any compensation.

Lease-Delivery

Delivery shall take place ex company. The transportation of the leased property from and to our company shall be for the account and risk of the lessee.

Lease-Term

The lease has been effected for the term stated in the rental agreement, whereby the date(s) on which the leased property is transported to the lessee, or is transported back to the lessor, respectively, also count as rent days. In case of a rental agreement for an indefinite period of time, both parties shall observe a notice period of at least two working days. In case of a rental agreement for a definite period of time, the lessee shall be obliged to notify the lessor as soon as possible where the leased property is available for re-transportation, so that the lessor can make sure that the leased property can still be delivered to the lessor before 6 p.m. on the last day of the rental agreement with the common means of transport. If the leased property has not been returned after the lapse of the term of the lease, a new lease shall be deemed to have been effected, for the same term and on the same terms and conditions unless the lessor objects within one week after the lapse of the former lease.

Lease-Liability in case of damage

Through the receipt of the leased property the lessee shall be deemed to acknowledge that he received the leased property in a good state of repair, fit the agreed use, and that he has taken cognisance of the instructions regarding use and maintenance of the leased property. The lessor undertakes to repair or replace the parts of the leased property that become defect, only as a result of faults in the material or of the improper working thereof, on the condition that such a fault has been reported by the lessee forthwith in writing. The obligation does not apply to the electric part of the leased property, and it shall not apply either if the defect may have been caused by or in connection with circumstances caused by the lessee, such as injudicious use of the leased property or use for another purpose than that, for which the leased property was transferred, insufficient maintenance, use of unfit fuel, energy or lubricants, overburdening, wrong placement or insufficient foundation of the leased property, wrong connection of the voltage supply and further all cases in which the cause of the defect cannot be clearly established. Save for the lessor's duty described above, which is expressly limited to the damage caused to the relevant part itself, the lessor and his personnel shall never be liable for damage caused to, by, or in connection with the use of the leased property, except for provisions of mandatory law regarding (product) liability, and also with due observance of the legal rules of public order and good faith.

Save for the lessor's duty described above all risks of the leased property and all costs of the same maintenance or repair shall be for the account of the lessee during the lease. The lessee shall be liable for all damage caused to or by or in connection with the use of the leased property, by whatever reason, regardless whether such damage was caused by the lessee, third parties or by force majeure or by any either or not hidden defect in the leased property, subject to provisions of mandatory law regarding (product) liability. The lessee shall indemnify the lessor and his personnel against claims of third parties in respect of such damage.

If damage arises on the part of the lessee as a result of actions and/or omissions of the lessee and the lessor is liable, such damage payable by the lessor shall never exceed the rent. In case of damage, caused to or by the leased object, the lessee shall be obliged to immediately notify the lessor hereof by phone and in writing and as soon as possible thereafter submit to the lessor the testimonies of witnesses and/or other documents pertaining to the event. The user of the relevant machine should have the police immediately draw up an official report of the event to the extent possible.

Lease-Return

If it should turn out after the lapse of the rental agreement that a change has taken place in the state and condition of maintenance of the leased property, the lessee shall be allowed to restore the leased property to its original state and condition of maintenance within 14 days after termination of the rental agreement, in default of which the lessor shall have this carried out for the account of the lessee, such with compensation by the lessee on account of loss of the use of the leased property during this term and the time involved in repairing or repurchasing the lost items.

Lease-Terms of use

The lessee is obliged to carefully use the leased property in accordance with its destined use and to strictly follow the instructions given by the lessor with regard to the use and maintenance. The lessee shall not alienate or encumber the machines and shall return them upon termination of the rental agreement due to lapse of time or otherwise in the same state and condition of maintenance as delivered to the lessee, normal wear and tear excluded, in default of which the lessee shall forfeit an immediately payable penalty of € 6,807,- without demand letter, notice of default and/or judicial intervention without prejudice to the duty of the lessee to pay damages and costs of repair.

The lessee shall not make or tolerate changes in or to the leased property without prior written permission of the lessor.

A returned machine shall be deemed to be leased, until damage, lack of maintenance and changes have been remedied and the costs of repair have been paid.

The use of the machines in an aggressive environment, such as in case of beam-, metallisation and/or spray gun activities is prohibited, unless the machines are adequately protected against this through covering and express permission has been granted by the lessor. Any damage caused by incorrect activities, shall in some cases be for the account of the lessee, as well as the damage caused by improper operating, wrong placement, intent or negligence, caused by actions and/or omissions on the part of the lessee, during the term of the lease, at least for the period that the leased property is for the account and risk of the lessee.

For this purpose the term of the lease is deemed to continue until the damage has been remedied and the costs of repair have been paid. The lessee guarantees towards the lessor and expressly undertakes to indemnify the lessor against any damage, suffered by the lessor due to the loss of or damage to the leased property, death of third parties, injury of third parties or damage to property of the lessor, lessee and/or third parties as a result of – fully or partially – the use or the state of the leased machine or parts thereof, while they are in the hands or under supervision of the lessee. The lessor shall never be held liable for damage due to the falling out of a machine. The lessee shall not allow third parties to use the leased property without written permission and/or sub-lease the leased property.

Maintenance, making changes and/or performing repairs may only be effected by the lessor, unless the lessee has been given written permission to himself carry out activities or have said activities carried out by third parties.

The lessee shall ensure that beaconing and lighting are provided and maintained, as required, given the situation on the site and any police regulation prevailing at that location.

Lease-Replacement

The lessee shall be entitled at all times to replace the leased machine by another machine of the same type.

The new machine shall be deemed to replace the replaced machine.

Lease-Dissolution

The rental agreement may be dissolved by the lessor without judicial intervention via a written notice to the lessee for this purpose – without prejudice to the lessor's ability to demand compensation – if the lessee:

1. acts in conflict with the agreement concluded or with any part thereof;
2. in the opinion of the lessor makes injudicious use of the leased property;
3. files a petition for a suspension of payments, is declared to be bankrupt or a bankruptcy order is filed, or the leased property is seized against the lessee, either or not rightfully;
4. is placed under tutelage, dies, winds up or alters the legal form of his company;

If the lessor declares that the agreement is dissolved on the above grounds, for which no demand letter and/or notice of default is necessary, all agreed instalments shall be immediately payable without demand letter and/or notice of default.

Lease-Payment, Attributable Shortcoming in Fulfilment, Severalty

In case of untimely payment the lessee shall owe interest of 1.5% per month on the amount not paid in a timely manner, calculated from the due date, and also an amount of extrajudicial collection costs of 15% of the principal sum due, plus the turnover tax due on this amount as from the date that the claim is given to a third party for recovery.

If several persons and/or companies are referred to with the lessee, they shall be jointly and severally bound to observe all duties arising from the rental agreement.

Disputes, Applicable law, Competent Court

Any disputes arising from or connected to agreements with our company – in the broadest sense – shall be exclusively settled by the ordinary Court, unless parties expressly agree otherwise in writing.

All agreements with the company shall be subject to the law of the Netherlands and said agreements are only subject to the law of the Netherlands, unless expressly agreed upon otherwise.

The Court in Rotterdam has exclusive competence to take cognisance of the aforesaid disputes also regarding the request for permission with regard to protective measures in the broadest sense, even if the other party does not have its registered office and/or place of residence within the district of Rotterdam. In proceedings before the subdistrict court, however, only the subdistrict court that has jurisdiction to take cognisance of the aforesaid dispute, shall take cognisance of the case.