

ANNEX II: GENERAL CONDITIONS OF SALE AND DELIVERY

(October 2019)

1. Preamble

The present General Conditions of Sale and Delivery shall apply to all our Contracts, except for modifications that may be agreed by the parties in writing. These General Conditions shall apply to the exclusion of all General Conditions appearing on documents issued by the Buyer.

2. Quotations

All our quotations are valid for a period of 60 days from date of issue, unless agreed otherwise in writing.

3. Formation and Entering into Force of Contracts

3.1 On receipt of an order, the Seller shall establish, sign and send to the Buyer in duplicate a Contract in the form of a 'Contract'.

3.2 This Contract is reputed firm and binding 10 days after the date of the Contract both if the Seller has received one copy of the Contract countersigned by the Buyer and also in the absence of a response by the Buyer to the Contract. In the latter case, the Buyer shall be deemed to have tacitly accepted and confirmed the order.

3.3 The Contract enters into force when all the elements specified hereafter are in the possession of the Seller:

3.3.1. All technical specifications A, AA & B necessary or useful for the execution of the order, as requested on the document accompanying the Contract.

3.3.2. All other information necessary or useful for the execution of the order, as requested in the Contract and on the document accompanying the Contract.

3.3.3. Confirmation by the Buyer that all documents authorising the importation of all goods ordered (such as import licence, pre-shipment inspection certificate), the payment and transfer of the total Contract value and the installation and start-up charges are available.

3.3.4 Confirmation by the Buyer that it is duly authorized and obtained any required governmental approvals or certifications to sign the Contract and perform its obligations under the Contract in compliance with applicable laws and regulations.

3.3.5. Contractual downpayment.

3.3.6. Contractual Letter(s) of Credit and financial guarantees.

3.3.7. Approval of the Contract and the terms of payment by the Belgian Banking and Credit Insurance Institutions.

3.4. If one or more of the remaining conditions of article 3.3, with the exclusion of article 3.3.1, are not fulfilled within the deadlines in the Contract, the Seller has the right to review the delivery dates. If one or more of the remaining conditions are still not fulfilled within 6 months after the referring deadlines has/ have past, Seller shall have the right to terminate the Contract (without any compensation due to the Buyer) and to claim a fixed compensation equal to the Contractual downpayment received, notwithstanding Seller's right to claim compensation for the damage actually suffered and for loss of profits should these be higher.

3.5. If the conditions of article 3.3.1 are not fulfilled within the written deadlines, the Buyer shall bear all extra costs -i.e. extra transportation, delay in installation and commissioning, ...- related to the late delivery of these technical specifications, with minimum the extra transportation costs for separate shipment.

4. Prices

4.1 All our prices are ex-works, unpacked.

4.2 Any cost for preparation of goods for shipment, loading on trucks or railway carriages as well as for adequate packing for land-, sea- or air-transport are for the account of and will be invoiced to the Buyer. The packing will not be retrieved.

4.3 The price calculations in the aforementioned Contract are based on the values of wages and materials at the time of the compilation of the Contract. If these should undergo unforeseeable changes, e.g. through government decisions, we retain the right until the time of delivery to amend the Contract proportionately.

5. Delivery Dates

5.1 The delivery dates are offered for information only and are not binding for the Seller. Under no circumstances can a delay in delivery give entitlement to compensation or dissolution of the Contract.

5.2 Delivery periods stipulated in the Contract start from the date of entering into force of the Contract, according to article 3.

5.3 If the Contract stipulates delivery FOB/FCA or FAS, the Buyer must inform the Seller of the shipping company and/or vessel to be used at the port of embarkation specified in the Contract at least three weeks prior to the Contractual date of shipment.

5.4 In case the embarkation cannot take place within three weeks from the foreseen date because the Buyer omitted to indicate the name of the vessel, because the vessel did not arrive at the port of departure within these three weeks or for any other reason not imputable to the Seller, then the Seller has the right to ship the goods by another vessel of his choice for the account of the Buyer, or to store the goods at the Buyer's expense against a warehouse receipt.

5.5 This warehouse receipt replaces the Bill of Lading and the transport insurance policy (if the Buyer instructed the Seller to arrange the transport insurance at his expense) and represents, together with the commercial invoices and the other usually required documents as foreseen, the proof of delivery, including transfer of risks.

5.6 It is further expressly agreed by both parties that such a warehouse receipt, duly endorsed by the Seller, will authorise the Bank concerned to pay to the Seller the amount normally due on presentation of the Bill of Lading for the same goods.

5.7 On request of the Buyer the Seller shall insure the goods so stored, at the Buyer's expense, against personal risks.

5.8 The Buyer waives all recourse against the Seller in the following cases: non-delivery or late delivery imputable to the non-delivery or late delivery by the Seller's supplier or to all other circumstances such as force majeure, such as labour disputes, strikes, lockouts, declared or undeclared war, fire, mobilisation, requisition, embargo, insurrection, lack of means of transportation, general lack of raw materials and supplies, production standstills and restrictions of use of energy. The Seller retains the right to terminate the Contract in case of force majeure without any compensation due to the Buyer.

5.9 The Buyer represents and warrants that neither the Buyer, nor any of its affiliates nor any of its or their respective directors, officers or employees is, or is owned or controlled by, a sanctioned person or is located, organized or resident in a country that is subject to any sanctions, restrictions or embargoes administered by the United Nations, European Union, United Kingdom, or the United States ("Sanctions"). The Seller retains the right to terminate the Contract without any compensation due to the Buyer in case there is a risk that the execution of the Contract is in violation of any Sanctions.

5.10 The Seller retains the right to consider the Contract as dissolved by force of law and without prior notice of default in the event of the bankruptcy or apparent insolvency of the Buyer as well as in the event of any change in the Buyer's legal status.

6. Packing

6.1 The seaworthy packing for overseas shipments will be carried out according to the best standard methods available at the time of shipment.

6.2 The Seller declines any responsibility for claims for damages caused to the goods after leaving its works caused by inadequate handling or storage, rust, sea-, rain- or condensation-water. In the interests of the Buyer, the Seller recommends however:

- during sea-transport: stowage under deck.

- in case of storage in transit or at destination: under covered shelter, in stacks not exceeding three crates. The other crates must be placed on supports so that under no circumstances are the crates in direct contact with running or stagnant water.

- a distance of one foot must be kept free between the stacks of crates for air to circulate.

7. Transfer of risks and delivery

The transfer of risks and the delivery shall take place in conformity with the rules of the International Chamber of Commerce that are effective for the INCOTERMS declared Contractually applicable at the time of formation of the Contract.

8. Payments

8.1 A protest against an invoice must be made in writing within 8 days of the invoice date. The customer is requested to always state in the protest the date and number of the invoice.

8.2 In the absence of a stipulation to the contrary or a precise statement to this effect on the invoice, deliveries must be paid for in cash at the registered office of the Seller in Ieper in accordance with the Contractual payment arrangements.

8.3 The presentation of a bill of exchange does not change the place of payment and shall not be regarded as equal to a novation.

8.4 Failure to pay in accordance with the Contractual payment arrangements or on the due date of the invoice renders the balance of all accounts, including bills of exchange, immediately due for payment. We also reserve the right to stop the machines and to halt any further deliveries of machines, parts or services. We also retain the right to regard the Contract as dissolved by force of law and without prior notice of default either in its entirety or in respect of the part not yet performed. This shall be without prejudice to the payment of compensation by the defaulting Buyer.

8.5 Any amount unpaid on its due date leads by force of law and without prior notice of default to interest of 12% per annum, even after the acceptance of a repayment plan or granting of a period of respite. Furthermore, any amount unpaid on its due date shall as a penalty clause, by force of law and subject to prior notice of default, be increased by 12%, with a minimum of 125,- EUR, even after the acceptance of a repayment plan or the granting of periods of respite. Any outlay associated with unpaid bills or cheques as well as other collection charges are not included in this fixed compensation and will be charged on to the customer separately.

8.6 In case of late or postponed embarkation according to Art. 5.3, 5.4 and 5.5 it is expressly agreed between the parties and the banks concerned that the payments due will be made on presentation of the warehouse receipt in lieu of the Bill of Lading, and that the date of this receipt will also determine the due dates for future payments insofar as such due dates are linked to the delivery date.

8.7 Under no circumstances may Contractual payments be delayed or withheld because of complaints.

9. Modifications of Contract

Any modifications and/or amendments to the Contract terms are only valid subject to the prior, written approval of both parties.

10. Passing of Property

10.1 The Seller retains proprietary rights to all goods supplied until the Buyer has paid the price in full (including interest and costs).

10.2 Even so, the Buyer bears the risk of loss, damage or destruction of the goods (cf. Art. 7). The Buyer agrees to insure all goods supplied under this Contract for the Contract price against all risks, including fire, war, strikes, riots and civil commotion.

10.3 The Seller retains the right to apply to all articles supplied by him his mark, trademark, serial number or company name.

10.4 The Buyer promises to incorporate the delivered goods into his immovable property only after payment in full.

11. Complaints – guarantees

11.1 The Buyer must notify the Seller within eight days of delivery of all visible defects or visible discrepancies in the ordered goods. After this date the Seller is no longer liable and no returns will be accepted.

11.2 The Seller's liability for hidden defects in the goods supplied by the Seller is limited to twelve months after the taking into service of the goods.

11.3 Notwithstanding that stipulated in Art. 11.2, the liability of the Seller for hidden defects shall never exceed eighteen months after delivery of the goods sold by the Seller.

11.4. The liability of the Seller for hidden defects is only valid on condition that all equipment, accessories and/or parts fitted to the delivered goods were supplied by the Seller or by a supplier recognised by the Seller in writing and if these deliveries and their operation correspond to the quality, standards and technical specifications that the Seller has imposed in writing.

11.5 The liability of the Seller with regard to defects in the supplied goods does not extend beyond the liability of the Seller's suppliers. The Seller is not liable if a defect in the goods is due and/or related to a defect in equipment, accessories and/or parts supplied to the Seller by a supplier nominated by the Buyer.

11.6 In any event, Seller's liability is limited to the quantitative replacement or repair of the part recognised as defective. Such replacement or repair will be performed ex-works.

11.7 The Seller is only liable for hidden defects which appear under the proper installation, start-up, operation, use and maintenance of the goods, a.o. in accordance with the conditions provided for in the Contract, Customer Technical Guide and manuals. Claims for defects shall be excluded if a defect results from changes to or improper repair of the goods by or on behalf of the Buyer, or from the use of unsuitable materials.

11.8 The machines were designed to function optimally in an ambient temperature of between 13°C and 33°C. Damage resulting from long-term use of the machines outside this range are excluded from the Seller's liability.

11.9 Under no circumstances is the Seller liable on any legal grounds for wage, transportation and customs charges, machine breakdown, operational interruption, loss of production, loss or recall of products manufactured with Seller's good or any damage caused by such products, cost of business interruption, loss of profits, loss of revenues, loss of goodwill or clients, reputational damage, third party claims or any other form of indirect or consequential loss.

12. Installation and start-up of Machines

12.1 The Contract prices do not include the installation and start-up of the equipment, unless otherwise agreed in the Contract.

12.2 With respect to deliveries within EEA, the Seller is responsible only for issuing an IIA certificate for the machine sold, delivered and produced by him. On no account can the Seller be held responsible for issuing an IIA certificate for the assembly at the Buyer's site of the machine sold by the Seller in combination with other machines not sold by the Seller

12.3 With respect to deliveries outside EEA: the Buyer is responsible for obtaining any certificate or declaration of conformity required in the country of import.

13. Non Transferability of the Contract

The Buyer may not transfer his rights under this Contract to a third party without express previous written consent by the Seller.

14. Validity of the Contract and General Conditions

Should one or more stipulations of this Contract prove to be or become invalid, this would not affect the validity of the remaining stipulations.

15. Other Conditions

15.1 Weights, dimensions, capacities, efficiencies and other information in catalogues, brochures, advertisements and illustrations are for information only. They are binding for the Seller only insofar as this is specifically stated in the Contract.

15.2 Plans, drawings and technical documents supplied to the Buyer prior to or after the formation of the Contract are not binding. The Seller retains the right to make any changes before delivery that appear to him to be appropriate.

15.3 This documentation remains the property of the Seller and may not be transmitted, copied, reproduced or communicated to third parties without the Seller's permission.

15.4 On request of the Buyer, and within the scope of delivery of the Contract, the Seller shall supply free of charge illustrated manuals for the adjustment and maintenance of the equipment as well as spare parts catalogues. This documentation becomes the property of the Buyer, but is confidential and forms part of the restrictions in accordance with Art. 15.3.

15.5 The Seller retains the right to modify the goods in production without any obligation to carry out such modifications on similar machinery supplied previously.

15.6 The Setting Manual will be delivered on DVD-R, readable by any browser reading HTML-format and PDF-format. The Buyer confirms that he is in the possession of the necessary hard- and software to read the DVD.

15.7 The Seller can collect technical data regarding the settings and operation of the goods ('Data') for repair and/or maintenance services. The Seller can use these Data to aid its further product development.

16. Disputes

All our Contracts are governed by Belgian law. In the event of disputes the courts of Ieper shall alone have jurisdiction, notwithstanding the right of the Seller to bring a dispute before a competent court in the country of the Buyer or in any other country or to request a settlement by one or more arbitrators appointed under the Rules of Conciliation and Arbitration of the International Chamber of Commerce.