

# General Terms and Conditions of Purchase AV Distributors

## Article 1. Applicability of Terms and Conditions

1. These General Terms and Conditions of Purchase (hereinafter referred to as 'Terms') apply to all quotation requests, orders and contracts for the delivery of goods to and the providing of – additional - work for the benefit of the Private Company AV Distributors Ltd., located on Anjelierstraat 39, 4261 Cj Wijk en Aalburg (hereinafter referred to as 'AV Distributors'), registered at the Chamber of Commerce under number 55568440.
2. The other party is the supplier, manufacturer, subcontractor or the contractor, his employees and/or his staff.
3. The applicability of any sale or other conditions from the other party is explicitly rejected except after written acceptance by AV Distributors.
4. Where in these Terms is spoken of (the delivery of) goods, shall be included the provision of services and work of any kind.
5. Deviating conditions should be expressly agreed in writing and, as far as they do not replace the provisions of these Terms, shall be deemed to supplement these Terms.
6. Any deviations from these Terms shall only apply to the specific agreement to which the deviations relate.
7. If one or more provisions of these Terms and Conditions at any time will be declared invalid or annulled as a whole or in part, the rest provided in these Terms will be fully applicable. AV Distributors and the other party will then consult each other to agree upon new provisions replacing the invalid or annulled conditions, in which the purpose and intent of the original provisions will be agreed to as much as possible.

## Article 2. Acceptance and order

1. AV Distributors can request a quote from the other party in writing at any time. AV Distributors will, together with such a request, provide the other party with relevant (purchase) specifications, dimensioned drawings, images and/or photos.
2. An offer by the other party as referred to in the previous paragraph, is considered to be a binding offer towards AV Distributors.
3. An agreement will be concluded at the time that AV Distributors has accepted the offer, as referred to in the previous paragraph, in writing and confirmed this in writing in an order. These Terms will apply on this agreement.
4. By accepting a command or order or by starting the fulfilment of the order, the other party accepts that these Terms are applicable.
5. AV Distributors reserves the right to revoke its placed order, if the other party has not confirmed the order in writing within 2 (two) weeks after receiving the order by means of an order confirmation.
6. In case the order confirmation differs from the original order, AV Distributors is only bound after AV Distributors explicitly agreed with the deviation in writing.
7. AV Distributors' acceptance of supplies or performance as well as payments made by AVD to this point do not imply recognition of the deviations. Any documentation or samples received with the quotation will not be returned by AV Distributors.

## Article 3. Delivery

1. Delivery will take place at the agreed delivery address and the agreed time.
2. The delivery is Delivery Duty Paid, in accordance with the applicable Incoterm, which means that, among others, all costs related to transport, insurance, customs and other duties associated with the delivery will be borne by the other party, unless otherwise agreed in writing or any other method of delivery was agreed upon in accordance with the applicable Incoterm.
3. The other party is obliged to make its related documentation available to AV Distributors prior to or simultaneously with the delivery.
4. AV Distributors is free in using this documentation, including the multiplication of it for its own use.
5. The delivery date(s) or delivery term(s) of the agreement shall be construed as strict and rigid and apply to the entire delivery, including the related goods and/or documents.
6. If circumstances arise as a result of which exceeding an agreed delivery date or delivery term can be expected, the other party shall immediately inform AV Distributors in writing.
7. If the other party exceeds any agreed delivery date or delivery term or otherwise fails in the performance of the agreement, AV Distributors is authorized, without prior notice of default, to impose a fine to the other party of 1% of the price of the supply per calendar week or a part of a week, up to a maximum of 10%, which will be immediately due and payable on the date of imposition. The imposition, collecting or settlement of this penalty leaves AV Distributors' right to performance, compensation and termination unaffected.
8. The statutory commercial interest on amounts that AV Distributors has prepaid will be set off against the invoices to be paid over the period of default.
9. AV Distributors has the right to postpone the delivery. In this case the other party shall save, preserve, protect and insure all goods properly packed, separated and recognisable.

## Article 4. Quality and status of delivery

1. The other party guarantees that the supply (including the samples AV Distributors received):
  - on delivery of the goods is of good quality and free of defects;
  - is completely in accordance with the provisions of the agreement, the reported specifications and AV Distributors' reasonable expectations with regard to the features, quality and reliability of the delivery;
  - is suitable for the purpose for which the delivery is intended from the nature of the business or as it appears from the order;
  - complies with the Dutch and European applicable statutory requirements and the other applicable (international) government regulations and quality marks such as CE marked;
  - complies with the norms and standards which are common in the relevant branch of trade or industry.
2. The other party will actively work to ensure that its products, packaging, raw materials and consumables burden the environment as little as possible. Work that can negatively impact the environment should explicitly be notified in advance.
3. The other party complies with the (international) laws and rules concerning the working conditions of its employees.
4. The other party must at his own account provide timely obtaining of the permissions, permits or licenses that are necessary for the fulfilment of the agreement and for the compliance with its conditions.
5. If AV Distributors notes that the delivery (as a whole or in part) does not comply with what the other party guaranteed in accordance with this Article, the other party is in default, unless the latter can prove that the shortcoming cannot be attributed to him.

## Article 5. Intellectual property rights

1. The other party guarantees, regarding the execution of an agreement for manufacturing (parts of) business, not to infringe the intellectual property rights on any of AV Distributors' products, the production process and/or product specifications.
2. If any intellectual property rights are connected with the delivery or related documentation on intellectual property rights, AV Distributors obtains the right to use free of charge by means of a non-exclusive, worldwide, perpetual license.
3. AV Distributors guarantees not to infringe the intellectual property rights on any of the other party's products, the production process and/or product specifications.
4. All intellectual property rights created as a result of the execution of the delivery by the other party, his staff or third parties involved by the other party in the fulfilment of the agreement, shall be vested in AV Distributors.
5. The other party guarantees that the supply does not infringe intellectual property rights of third parties.
6. The other party indemnifies AV Distributors for claims by third parties caused by (alleged) infringements on this point and will compensate AV Distributors for all damage suffered as a result.
7. In the event of a breach of what is specified in this Article AV Distributors will – without prejudice to the right to compensation - impose an immediately payable fine of € 5.000,00 on the other party for each infringement. The aforementioned amount may be higher depending on the relevant Article. In this case, this will be indicated in writing in advance by AV Distributors. The amount of the fine will be paid by the other party immediately after the aforementioned conclusion and communication on this point to the other party.

## Article 6. Packaging and shipping

1. The other party shall package all goods to be delivered as economically, safely and carefully as possible and in such a way that the consignment is manageable during transport and unloading.
2. The other party will ensure that the delivery reaches its destination in good condition.
3. AV Distributors is at any time entitled to return the (transport) packaging materials for the account of the other party.

4. Processing or destruction of (transport) packaging materials is the other party's responsibility. If packaging materials are processed or destroyed at the request of the other party, this is at the risk and for the account of the other party.
5. Packaging, transport, storage and processing of the delivery shall comply with the applicable laws and regulations in the field of safety, the environment and working conditions.
6. If safety data sheets exist on delivery or packaging, the other party shall always include these sheets directly.
7. The other party will mark the shipment with AV Distributors' order/reference number and the number of packages, as well as with correct name and address data of the delivery address. The outside of the packages must have a packing list with the contents of the shipment. A delivery that does not meet these requirements, may be refused by AV Distributors.
8. If agreed, the other party is responsible for providing the articles with a barcode delivered by AV Distributors and any deviant packaging specification.

#### **Article 7. Inspections**

1. AV Distributors has the right to have the delivery inspected or audited at the other party's before the time of delivery by officials designated for that purpose. The other party is obliged to co-operate in any necessary way and free of charge.
2. The other party can not derive any rights from the results of a prior inspection.
3. AV Distributors has the right to inspect the delivery on the agreed place of delivery prior to acceptance.
4. In the event of rejection, AV Distributors will inform the other party and can require either replacement or repair or proceed to dissolution or cancellation of the agreement. This will not prejudice AV Distributors' right to compensation.
5. All costs associated with inspections and re-inspections will be for the account of the other party, except the costs of the inspection officers designated by AV Distributors.
6. If an inspection as referred to in this Article cannot take place on the planned time due to the other party or in the event that an inspection must be repeated, the ensuing costs incurred by AV Distributors will be payable by the other party.
7. In the event of rejection of the delivered goods, the other party shall provide repair or replacement of the delivered goods within 5 (five) working days.
8. If the other party does not meet this obligation within the time period in this Article, AV Distributors is entitled to purchase the necessary business of a third party, or to take measures itself or to have a third party take measures for the account and risk of the other party.
9. If the other party fails to take back the rejected delivered goods within 10 (ten) working days, AV Distributors has the right to return the goods to the other party at his expense.

#### **Article 8. Changes; additional and less work**

1. AV Distributors is entitled to change the size of the delivery, even if this results in additional or less work. Changes are agreed in writing.
2. If the other party considers that the change will affect the agreed price or delivery time, he will inform AV Distributors directly and in writing.
3. Additions in any case do not include additional work which the other party could have or should have foreseen at the conclusion of the agreement for fulfilling the agreed performance(s) and functionality or which was caused by a shortcoming of the other party.

#### **Article 9. Price, invoicing and payment**

1. The agreed price is fixed in euros, excluding turnover tax and including all costs related to fulfilling the other party's obligations, unless otherwise agreed in writing.
2. Invoices shall contain the reference number of the order, in accordance with the order. In the absence of these data, AV Distributors has the right to suspend the payment obligation. Duplicates of an invoice should be identified as such.
3. Price increases after the conclusion of the agreement are and will continue to be for the account of the other party, regardless of the period elapsed between the date the agreement was concluded and its execution.
4. AV Distributors will pay within 60 (sixty) days after acceptance of the delivery and after correct billing.
5. AV Distributors is entitled to suspend payment if it discovers a failure in the goods or in any installation and/or assembly involved.
6. AV Distributors has the right to decrease the amount of the invoice by amounts that the other party is due to AV Distributors.
7. Payment does not in any way constitute a waiver of rights to come back on the execution of the agreement.
8. In case of payment in advance or interim payment AV Distributors is entitled to demand sufficient security from the other party for its fulfilment. If the other party fails to do so within the specified period he will be in default. In that case AV Distributors shall have the right to dissolve the agreement and to recover its damage from the other party.

#### **Article 10. Guarantee**

1. If within the warranty period the delivery appears not to comply with Article 4 of these Conditions, the other party will, on first demand and choice of AV Distributors, replace, repair or reexecute the delivery, within a reasonable period and on the account of the other party, without prejudice to AV Distributors' further rights according to the law.
2. If the other party remains in default in fulfilling its guarantee obligations, then AV Distributors has the right, on the account of the other party, to replace, repair or reexecute, with or without involving third parties. In case of using this right AV Distributors will inform the other party in advance as much as possible.
3. In case the parties have not agreed on a warranty period, the warranty period will be 12 (twelve) months after the date of delivery.
4. For items that are intended to be processed into products, installations or systems the warranty period shall only commence on the time of delivery of such products, installations or systems, provided that the warranty period shall end no later than 24 (twenty four) months after the date of delivery of the goods.
5. For replaced, repaired or reperfomed parts of a delivery a new warranty period will commence, equal to the original.

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

1. Delivery is at the risk of the other party until it has arrived at the agreed place of delivery and has been accepted by AV Distributors in writing. The ownership of the business shall pass to AV Distributors after delivery and – if necessary – assembly respectively installation.
2. Models, samples, moulds, drawings or such like that the other party purchases or manufactures for the purpose of the delivery, will at the time these items were supplied to or manufactured by the other party, be deemed to have been made available by AV Distributors to the other party.
3. If AV Distributors has made any business available to the other party for the purpose of the delivery this will remain or become property of AV Distributors and the other party will be required to retain this business in possession clearly marked as property of AV Distributors.
4. Business created by combination, blending or due to another reason will become property of AV Distributors at the time of its creation. The other party shall be deemed to have created the business for AV Distributors and will consider this new business as property of AV Distributors. The other party shall point out the property rights of AV Distributors to third parties who might seek recourse on this business.
5. Without prejudice to the provisions of these Terms, the other party will only use the business referred to in this Article, for the performance of deliveries and work on behalf of AV Distributors and will not make it available to any third party, unless AV Distributors has given its explicit written permission.
6. The other party bears the risk of loss or damage and has to insure itself against these risks for his own account.

#### **Article 12. Liability**

1. The other party is liable for all damage that AV Distributors may suffer because of not, not timely or not properly performing of the agreement accountable to the other party or caused by any breach of another contractual or non-contractual obligation. This expressly includes loss of sales and profits, business loss and other consequential damage, which AV Distributors and/or third parties suffered consequently.
2. The other party indemnifies AV Distributors for all claims of third parties against AV Distributors associated with the agreement concluded with the other party, including claims based on a defect in goods delivered by the other party to AV Distributors and/or based on infringement of copyrights or any other rights.
3. The other party is liable towards AV Distributors for any damage that the other party, its staff or others he involved in the implementation of the agreement, caused to AV Distributors, to persons working at or for AV Distributors and/or to his customers.
4. The other party will sufficiently insure itself – and remain sufficiently insured - on account of its liability by virtue of the law and/or the agreement towards AV Distributors and furthermore, will insure itself and remain insured against all risks in its operational management which are insurable against normal conditions. The other party shall upon request of AV Distributors immediately submit (a certified copy of) the policies and the evidence of premium payment.
5. The other party shall assign to AV Distributors in advance all claims to receiving insurance payments, as far as related to damage which the other party is liable for towards AV Distributors.

#### **Article 13. Dissolution**

1. Without prejudice to any of AV Distributors' other rights, AV Distributors is entitled to dissolve the agreement as a whole or partly without further notice of default by means of a written declaration if:
  - the other party is in default with the fulfilment of one or more obligations under the agreement;
  - the other party is declared bankrupt, has applied for suspension of payment, the law Debt Restructuring Natural Persons became applicable, he has shut down or closed out his company, a considerable part of his capital is seized or he transfers his company to third parties.

2. In case of dissolution the risk of all delivered goods remains to the other party.
3. The other party will refund immediately what has been paid by AV Distributors with regard to the dissolved agreement.
4. In the event the other party states that one or more of its shortcomings are not attributable to him and AV Distributors accepts this statement, AV Distributors nevertheless is entitled to dissolve the agreement. In this kind of situation the parties shall not claim damages from each other.

**Article 14. Information obligation and confidentiality**

1. The other party shall provide to AV Distributors all information relating to the delivery that may be important for AV Distributors.
2. All changes to products and packaging must be notified by the other party to AV Distributors for prior approval.
3. If there are any organisational changes which (might) have impact on the execution of the agreement, the other party will inform AV Distributors directly.
4. The other party shall neither to its own employees nor to third parties provide any confidential information concerning the delivery and work on behalf of AV Distributors, unless prior written permission has been granted by AV Distributors.
5. Without the prior written permission of AV Distributors the other party is not allowed to use AV Distributors' name in advertisements and other commercial messages.
6. The other party is entitled to use the information AV Distributors provided, but only in connection with the agreement. This information is and remains AV Distributors' property.
7. The other party complies with the intellectual property right referred to in Article 5, unless agreed otherwise in writing.
8. In case of breach of the provisions of these Terms the other party shall be liable to pay an immediately payable fine to AV Distributors of an amount to be determined, based on the extent of the damage suffered. The imposition, collection or settlement of the penalty shall be without prejudice to AV Distributors' right to performance, full compensation and dissolution.

**Article 15. Transfer of rights and obligations; outsourcing**

1. The other party will not outsource (work on behalf of) the delivery or parts of it to any third party and may not assign all or part of the rights and obligations arising from the contract to third parties, without the prior written permission of AV Distributors. Reasonable conditions may be attached to this permission.
2. In the cases in which the obligations of the other party, or part thereof, arising from the agreement are transferred to a third party, the other party is obliged to inform AV Distributors about the securities provided for payment of sales tax, income tax and social insurance contributions legally prescribed for employers.

**Article 16. Applicable law, disputes and reference conditions**

1. On agreements between AV Distributors and the other party Dutch law is applicable. The aforementioned provision shall also apply if a contract as a whole or in part is executed abroad or if the other party involved in the legal relationship is domiciled abroad.
2. The Vienna Sales Convention (CISG) shall not apply, nor any other international regulations whose exclusion is permitted.
3. All disputes connected with or arising from the interpretation of and/or compliance with the agreement or these Terms, with the exception of the disputes to exclusive jurisdiction of the District Court, will be settled by the Court Zeeland-West-Brabant.
4. These Terms and Conditions are registered at the Chamber of Commerce and will be sent by AV Distributors free of charge on request.
5. The most recently filed version will always apply, or the version that was valid at the time of the establishment of the legal relationship with AV Distributors.
6. The Dutch text of the Terms and Conditions is always the determining text for its interpretation.