

General Terms & Conditions

Of:

Mechanical Field Support bv

Hereinafter to be referred to as: MFS

Article 1 Definitions

1. In the present general terms and conditions, the following terms are used in the sense given below, unless explicitly indicated otherwise.

MFS: the user of the general terms and conditions.

Client: MFS's opposite party.

Agreement: the agreement concerning the provision of services.

Article 2 General

1. The present terms and conditions shall apply to each and every offer, tender and agreement between MFS and a client, to which MFS has declared the present terms and conditions applicable, insofar as parties have not explicitly deviated from the present terms and conditions in writing.

2. The present terms and conditions shall also apply to all agreements with MFS, the execution of which calls for the services of third parties.

3. Possible deviations from the present general terms and conditions shall only be valid provided they have been explicitly agreed upon in writing.

4. The applicability of client's possible purchase or other conditions is explicitly rejected.

5. If one or more stipulations in the present general terms and conditions should be null and void or declared null and void, then the other stipulations of the present general terms and conditions shall remain fully applicable. The case ensuing, MFS and client shall enter into negotiations to agree upon new stipulations replacing the null and void conditions, or, as the case may be, the conditions declared null and void, whereby the purpose and the meaning of the original conditions shall be heeded as far as.

Article 3 Offers and Tenders

1. All offers shall be free of obligation unless the offer contains an acceptance term.

2. The offers made by MFS shall be free of obligation; they shall be valid for a period of 30 days, unless indicated otherwise. MFS shall only be bound by the offers if the acceptance thereof is confirmed in writing by the opposite party within 30 days, unless indicated otherwise.
3. The prices given in above-mentioned offers and tenders shall be exclusive of VAT and other government levies, as well as of the other expenses to be possibly made within the scope of the agreement, including shipment and administration costs, unless MFS indicates otherwise.
4. If the acceptance deviates (on secondary items) from the offer given, MFS shall not be bound by it. The agreement shall in such event not be concluded in accordance with said deviating acceptance, unless MFS indicates otherwise.
5. A compound quotation shall not oblige MFS to execute part of the assignment against a corresponding part of the given quotation.
6. Offers and tenders shall not apply automatically to future assignments.

Article 4 Execution of the Agreement

1. MFS shall execute the agreement to the best of his knowledge and ability and in compliance with the demands of proper craftsmanship, all this on the basis of the state of science as known then.
2. If and in so far required for the proper execution of the agreement, MFS shall have the right to have certain work done by third parties.
3. The client shall see to it that MFS shall be provided in due time with all data which MFS has said to be necessary or which the client must in all reasonableness understand to be necessary to the execution of the agreement. If MFS has not been provided in due time with the data necessary to the execution of the agreement, MFS shall have the right to suspend the execution of the agreement and / or to charge the client for the additional costs resulting from the delay at the generally accepted rates.
4. MFS shall not be liable for damage of whatever nature caused by the fact that MFS worked on the basis of incorrect and / or incomplete data provided by the client, unless MFS should have been aware of said incorrectness or incompleteness.
5. If parties have agreed that the agreement will be executed in stages, MFS can suspend the execution of the parts belonging to a following stage until the client has approved in writing the results of the stage prior to it.
6. If MFS or third parties engaged by MFS within the scope of the assignment do work at client's site or at a site designated by client, client shall provide the employees having to work there free of charge with all facilities desired in all reasonableness by said employees.
7. Client shall safeguard MFS against possible claims filed by third parties who may sustain damage attributable to client in connection with the execution of the agreement.

Article 5 Changes to the agreement

1. If it is shown during the execution of the agreement that the work to be done needs to be changed and supplemented in order to ensure its proper execution, parties shall adapt the agreement accordingly in due time and in mutual consultations.
2. If parties agree that the agreement needs to be changed or supplemented, this decision may influence the time of completion of the execution. MFS shall inform the client thereof as soon as possible.
3. Should the change or supplement to the agreement have any financial and / or qualitative consequences, MFS shall inform client thereof in advance.
4. If a fixed fee has been agreed upon then MFS shall indicate the degree to which the change or supplement to the agreement will result in an increase of said fee.

5. Contrary to the conditions of paragraph 3, MFS shall not be able to charge additional costs if the change or supplement is the result of circumstances attributable to MFS.

Article 6 Duration of the Contract; Term of Execution

1. The agreement between MFS and a client shall be entered into for an indefinite period of time, unless the nature of the agreement dictates otherwise or if parties have explicitly agreed otherwise in writing.

2. If a term has been agreed to complete certain work within the term of the agreement, then this term shall never be a term to be observed on penalty of forfeiture of rights. If the term of execution is exceeded, the client must consequently declare MFS in default in writing.

Article 7 Fee

1. The paragraphs 2., 5. and 6. through 11. shall apply to those offers and agreements in which a fixed fee is offered or agreed upon. If no fixed fee has been agreed upon, the paragraphs 3. through 11. of the present article shall apply.

2. Parties can agree upon a fixed fee the moment the agreement is concluded.

3. If no fixed fee has been agreed upon, the fee shall be determined on the basis of the number of hours actually spent on the work. The fee shall be calculated in accordance with MFS's usual hourly rates, valid for the period in which the work is being done, unless a deviating hourly rate has been agreed upon.

4. The fee and a possible cost estimate shall be exclusive of VAT.

5. With respect to assignments with duration of more than 3 months, the costs owed shall be charged monthly.

6. If MFS and the client agree upon a fixed fee or an hourly rate, MFS shall nevertheless be entitled to increase this fee or rate.

7. MFS shall be allowed to charge on price increases, if MFS can demonstrate that significant changes in price have occurred between the time of offer and the time of delivery with respect to, e.g., salaries and wages.

8. MFS shall furthermore be able to increase the fee when it is shown during the execution of the work that the volume of work initially agreed upon or expected when the contract was concluded, was underestimated to such a degree, and this through no fault of MFS, that MFS cannot be expected in reasonableness to do the work agreed upon for the fee initially agreed upon.

9. Client will be authorised to annul the agreement, if the fee or tariff is increased within three months after entering the agreement. After expiration of said period, the principal will be authorised to annul the agreement, if the increase exceeds 10%. Client will not be entitled to annulment if the increase of the fee or rate results from a competence by virtue of the law.

10. MFS shall notify the client in writing of his intention to increase the fee or the hourly rate, whereby MFS shall communicate the volume of said increase and the date on which it shall take effect.

11. If client does not wish to accept the increase in fee or hourly rate communicated by MFS, client shall be entitled to terminate the agreement in writing within seven working days following the above-mentioned notification, or to cancel the assignment by the date given in MFS's notification on which the change in fee or hourly rate would take effect.

Article 8 Payment

1. Payment must be made within 30 days from the date of invoice, in a way to be indicated by MFS and in the currency in which the statement of expenses was drawn up. Contestation of the amount of the statements of expenses shall not suspend the fulfilment of the payment obligation

2. If client fails to fulfil his payment obligation within the term of 30 days, then client shall be in default by operation of law. In that event, client shall owe an interest of 1% per month, unless the statutory interest rate is higher, in which case the statutory interest rate shall apply. The interest on the amount due and payable shall be calculated as from the day the client is in default until the moment he has paid the amount in full.
3. MFS's claims against client shall become due on demand in the event that client's company is wound up, attached, declared bankrupt, or if a suspension of payment is granted.
4. MFS shall be entitled to have the payments made by the client go first of all to reduce the costs, subsequently to reduce the interest still due and finally to reduce the principal sum and the current interest. MFS shall have the right, without this leading MFS to be in default, to refuse an offer for payment, if the client designates a different sequence of attribution. MFS shall be entitled to refuse full payment of the principal sum, if said payment does not include the interest still due, the current interest and the costs.
5. If payment is made within 30 days from the date of invoice, MFS shall not add a surcharge.
6. If payment is made after more than 30 days, client shall own MFS a surcharge of 2%, unless parties agree otherwise in writing.

Article 9 Retention of Title

1. All goods delivered by MFS, possibly also including designs, sketches, drawings, films, software, (electronic) files, etc., shall remain MFS's property until client has fulfilled all of his obligations under all agreements concluded with MFS.
2. Client shall not be authorised to pledge or encumber in any way the goods falling under the retention of title.
3. If third parties seize goods delivered subject to retention of title or wish to establish or assert a right to them, client shall be held to inform MFS thereof as soon as can reasonably be expected.
4. The client shall undertake to insure the goods delivered subject to retention of title and to keep them insured against damage caused by fire, explosion and water as well as against theft and make this insurance policy available for inspection on first demand.
5. Goods delivered by MFS falling under the retention of title by virtue of the stipulations under 1. of the present article, may only be sold on within the framework of normal business activities and must never be used as instrument of payment.
6. In the event that MFS wishes to exercise his ownership rights mentioned in the present article, client shall give MFS or third parties to be appointed by MFS, now for then, unconditional and irrevocable permission to access all sites and locations where MFS's property might be found and to take these goods back.

Article 10 Collection Charges

1. If the client fails to fulfil his obligations (in due time) or defaults on them, then all reasonable costs incurred to have all extrajudicial costs and debts paid shall be borne by the client. The client shall in any case owe the collection charges in the event of a monetary claim. The collection charges shall be calculated in accordance with the collection rates advised by the Nederlandse Orde van Advocaten (Netherlands Bar) for collection procedures.
2. If MFS demonstrates that he has incurred higher expenses, which were necessary in reason, said expenses shall also qualify for reimbursement.
3. The reasonable judicial and execution costs possibly incurred shall equally be borne by client.

Article 11 Inspection & Complaints

1. The client must notify MFS in writing of complaints about the work done within 8 days following their detection, but no later than within 14 days following completion of the work concerned. The notice of default must give as detailed a description as possible of the shortcoming, so that MFS is in a position to respond adequately.
2. If a complaint proves to be well founded, MFS shall yet do the work as agreed upon, unless such has become demonstrably useless in the meantime to the client. The client must notify MFS in writing if the latter is the case.
3. If it is no longer possible or useful to still do the work with respect to the provision of services agreed upon, MFS shall only be liable within the limits of article 15.

Article 12 Cancellation

1. Both parties shall be entitled to cancel the agreement at all times.
2. If the agreement is terminated prematurely by client, MFS shall be entitled to compensation of the loss of capacity utilisation to be demonstrated caused by said premature termination, unless the termination is based on facts and circumstances which can be attributed to MFS. Client shall furthermore be held in that event to pay the statement of expenses for the work done up till that moment. The preliminary results of the work done up till that moment shall therefore be put at client's disposal subject to approval.
3. If the agreement is terminated prematurely by MFS, MFS shall see to it in conjunction with client that the work still to be done be transferred to third parties, unless the termination is based on facts and circumstances which can be attributed to client.
4. If the transfer of the work still to be done entails extra costs for MFS, said costs shall be charged to client.

Article 13 Suspension and Dissolution

1. MFS shall be authorised to suspend the fulfilment of the obligations under the agreement, in the event that:
 - client does not fulfil or does not fully fulfil his obligations resulting from the agreement
 - after the agreement has been concluded, MFS learns of circumstances giving good ground to fear that the client will not fulfil his obligations. If good ground exists to fear that the client will only partially or improperly fulfil his obligations, suspension shall only be allowed in so far the shortcoming justifies such action.
 - client was asked to furnish security to guarantee the fulfilment of his obligations resulting from the agreement when the contract was concluded and that this security is not provided or insufficient.
2. MFS shall furthermore be authorised to dissolve the agreement (have the agreement dissolved) if circumstances arise of such a nature that fulfilment of the obligations becomes impossible or can no longer be demanded in accordance with the requirements of reasonableness and fairness, or if other circumstances arise of such a nature that the unaltered maintenance of the agreement can no longer be demanded in all reasonableness.
3. If the agreement is dissolved, the MFS's claims against the client shall be forthwith due and payable. If MFS suspends fulfilment of his obligations, he shall retain his rights under the law and the agreement.
4. MFS shall always retain the right to claim damages.

Article 14 Return of Goods Put at Client's Disposal

1. If MFS has put goods at client's disposal during and in connection with the execution of the agreement, client shall be held to return the delivered goods within 14 days in their original state, free of defects and in their entirety. If client fails to fulfil this obligation, all resulting costs shall be at client's expense.
2. If, for any reason whatsoever, client still remains in default to fulfil the obligation mentioned under 1. after being warned to do so, MFS shall be entitled to recover the resulting damage and costs, including replacement costs, from client.

Article 15 Liability

1. Should MFS be liable, then said liability shall be limited to the stipulations of the present condition.
2. If MFS is liable for direct damage, then said liability shall be limited to a maximum equalling the amount of the payment to be made by MFS's insurer, at any rate up to a maximum of twice the amount of the statement of expenses, at any rate that part of the assignment to which the liability relates. MFS's liability for direct damage shall at all times be limited to a maximum of € 5.000.000,- (In words: Euro five million) in which direct damage to goods in trust is limited to a maximum of € 1.645.380,- (In words: Euro one million and six hundred forty five thousand and three hundred eighty).
3. In the event of an assignment with duration of more than 6 months, the liability shall, contrary to the stipulations under 2. of the present article, furthermore be limited to the part of the fee still due for the last six months.
4. Direct damage shall be understood to be exclusively:
 - the reasonable costs incurred to establish the cause and the volume of the damage, in so far said establishment relates to damage in the sense of the present terms and conditions
 - the reasonable costs possibly incurred to have MFS's faulty performance meet the conditions of the agreement, unless such faulty performance cannot be attributed to MFS;
 - the reasonable costs incurred to prevent or limit the damage, in so far client demonstrates that said costs have led to the limitation of direct damage as meant in the present general terms and conditions.
5. MFS shall never be liable for indirect damage, including consequential damage, loss of profit, lost savings and damage due to business stagnation.
6. The limitations of liability for direct damage contained in the present terms and conditions shall not apply if the damage is due to intentional act or omission or gross negligence on the part of MFS or his subordinates.

Article 16 Safeguarding

1. The client shall safeguard MFS against claims filed by third parties concerning intellectual property rights on material or data provided by the client, which shall be used for and during the execution of the agreement.
2. If the client provides MFS with information carriers, electronic files or software etc., the former shall guarantee that said information carriers, electronic files or software are free of viruses and defects.

Article 17 Transfer of Risk

1. The risk of loss of, or damage to the goods being the subject of the agreement, shall be transferred to client the moment said goods are judicially and/or actually delivered to client and therefore fall into the power of client or of third parties to be appointed by client.

Article 18 Force Majeure

1. Parties shall not be held to fulfil any of their obligations if they are hindered to do so due to a circumstance through no fault of their own and which cannot be attributed to them by virtue of law, a legal action or generally accepted practice.
2. In addition to the provisions of the law and the judge-made law in this respect, force majeure shall in the present general terms and conditions furthermore be understood to be any external circumstance, be it envisaged or not, on which MFS cannot have any influence but which prevents MFS from fulfilling his obligations. Industrial action at MFS's company shall also be understood to be a circumstance of force majeure.
3. MFS shall also be entitled to invoke force majeure if the circumstance rendering (further) fulfilment of the obligation(s) impossible, commences after the point in time on which MFS should have fulfilled his obligation.
4. Throughout the duration of the circumstances of force majeure, parties shall be entitled to suspend the fulfilment of their obligations. If this period lasts for more than two months, either of the parties shall be entitled to dissolve the agreement without any obligation to pay the opposite party damages.
5. Insofar MFS has already partially fulfilled his obligations resulting from the agreement at the moment the circumstance of force majeure commenced or shall be able to fulfil them and insofar separate value can be attributed to the part already fulfilled or still to be fulfilled respectively, MFS shall be entitled to submit a separate statement of expenses of the part already fulfilled or still to be fulfilled respectively. The client shall be held to pay this statement of expenses as if it were a separate agreement.

Article 19 Secrecy

1. Both parties shall be bound to secrecy of all confidential information they have received within the scope of their agreement from each other or from another source. Information shall be considered to be confidential if the other party has indicated so or if the confidential character results from the nature of the information.
2. If a statutory provision or a judicial decision compels MFS to convey confidential information to third parties designated by law or by the court and MFS cannot for that purpose invoke a legal right to refuse to give evidence or such a right acknowledged or allowed by the competent court, MFS shall not be held to pay damages or compensation and the opposite party shall not be entitled to demand the dissolution of the agreement on the ground of any damage resulting from said circumstance.

Article 20 Intellectual Property and Copyrights

1. Without prejudice to the other stipulations of the present general terms and conditions, MFS shall reserve the rights and authorities to which MFS is entitled under the Copyright Act.
2. All documents, such as reports, advice, agreements, designs, sketches, drawings, software, etc., provided by MFS, shall be destined to be used by client exclusively and must not be reproduced, made public or brought to the notice of third parties by client without prior consent from MFS, unless the nature of the documents provided dictates otherwise.
3. MFS shall reserve the right to use the knowledge gained due to the execution of the work for other purposes, in so far no confidential information shall be brought to the notice of third parties when doing so.

Article 21 Samples and Models

1. If a sample or model has been given to client, then the assumption is that such has been given by way of indication only, unless parties agree explicitly that the product to be delivered shall correspond with it.
2. In the event of an assignment concerning immovable property, the surface area or other measurements and indications given shall also be assumed to be merely indicative without any obligation to have the product to be delivered correspond with it.

Article 22 Non-employment of the opposite party's personnel

1. Throughout the duration of the agreement and for one year following termination thereof, client shall not in any way, hire or employ in any other way, be it directly or indirectly, staff of MFS or of enterprises whom MFS has engaged to execute the present agreement and who are (were) involved in the execution of the agreement, without prior proper businesslike consultation on this matter, all this in accordance with the requirements of reasonableness and fairness.

Article 23 Disputes

1. The Court in MFS's place of business shall have exclusive jurisdiction to hear actions, unless the District Court is the competent Court. MFS shall nevertheless be entitled to submit the dispute to the Court deemed competent by the law.
2. Parties shall only refer the matter to the court if they have done their utmost to solve the dispute in mutual consultations.

Article 24 Applicable Law

1. Dutch law shall apply to each and every agreement between MFS and the client.

Article 25 Changes to the Terms and Conditions

1. The present terms and conditions have been filed at file number 09118300 at the office of the Chamber of Commerce in Arnhem, the Netherlands.

The most recently filed version shall always apply, or, as the case may be, the version valid at the time the agreement was concluded.