INDUSTRY INTERNATIONAL GENERAL PURCHASE CONDITIONS – 2015

I. GENERAL SECTION

1. General provisions and applicability

1.1 These purchase conditions apply to all enquiries, quotations, orders and Agreements by means of which Industry International B.V. and its affiliated companies, hereinafter referred to as “Industry International”, purchases goods, work and/or services from a third party or gives it an (or another) order, all in the broadest sense.

1.2 Any deviation from these general purchase conditions shall be valid only if expressly accepted in writing by Industry International. In the event of deviation from one or more provisions in these purchase conditions, the other provisions shall remain in full force.

1.3 In the event a provision of these purchase conditions is void or annulled in whole or in part, then the other provisions shall remain in full force. Industry International and the Contractor shall agree to replace the void or annulled provision with a provision which they would have agreed if they had known that the other provision was void or annulled.

1.4 Any other general terms and conditions are expressly rejected.

1.5 These purchase conditions also apply to further or additional Agreements and the obligations between Industry International and the Contractor ensuing from them.

1.6 In these purchase conditions the following terms have the following meaning:

Contractor: every natural or legal person with whom Industry International has contracted or wishes to contract an Agreement, or from whom Industry International requests or receives quotations.

Order: the execution of works and/or services and/or delivery of goods which Industry International has instructed in writing.

Agreement: the Agreement contracted between Industry International and the Contractor after issuing the Order.

Main Agreement: the agreement whereby the Principal assigns the execution of works and/or services and/or the delivery of goods to Industry International.

Principal: Industry International’s assigning principal.

Framework Agreement: the framework agreement that may exist between Industry International and the Contractor.

Social Securities, income tax and other Labour Law related deductions such as national insurance premiums, employee insurance premiums and income-dependent contribution for the Dutch healthcare insurance act.

2. Quotations, orders, and the contracting, amendment and cancellation of Agreements

2.1 Requests for quotations shall not be binding on Industry International but shall constitute an invitation to issue a quotation. By issuing a quotation the Contractor undertakes vis-à-vis Industry International to render the performance at a fixed total price, a fixed transfer price or a variant thereof within the term set for delivery. The quotation shall remain valid for at least sixty calendar days. Industry International shall not reimburse costs arising from submitting a quotation.

2.2 The Order is subject to the technical and administrative provisions, as well as the drawings connected with the Order and these purchase conditions and, insofar as applicable, the provisions in the Framework Agreement made between the parties. In the event of inconsistencies, the provisions relating to the Order prevail over these purchase conditions and the provisions in the Framework Agreement prevail over these purchase conditions.

2.3. The Contractor is obliged to immediately notify Industry International and to ask for clarification if the request for a quotation or the Order or the Agreement contains inconsistencies and/or errors and/or omissions, prior commencing the performance. Contractor’s right to additional payment lapses in the event Industry International have not been notified prior to commence.

2.4 An Agreement is only made subsequent to the issuing of an Order. If the Order is connected with a Main Agreement between Industry International and the Principal, the Order is made subject to the condition precedent of approval of the Agreement by the Principal. If the Contractor commences the work without an Order from Industry International, it does so at its own expense and risk.

2.5 After contracting the Agreement, Industry International may unilaterally terminate the Agreement for convenience, as long as the Contractor has not yet commenced. In such a case Industry International shall reimburse the Contractor’s unavoidable and auditable costs insofar as these are reasonable and have been reported to Industry International within one month from the date of termination. Further compensation is excluded. The termination option mentioned in this paragraph is without prejudice to Industry International’s other statutory or contractual options for (free of charge) dissolution or termination of the Agreement.

2.6 Contractors shall be jointly and severally liable for its entire execution and for the consequences ensuing from it if they have jointly accepted the Order.

3. Performance

3.1 The performance to be rendered by the Contractor shall, in addition to the requirements pursuant to law, common practice and reasonableness and fairness, include:

a. the description and/or the specification provided by Industry International;

b. Industry International’s reasonable expectations in respect of, its nature, quality and/or reliability, these purchase conditions and the description in the quotation;
c. the reasonable (statutory) requirements from the perspective of safety, health, welfare and the environment;

d. the requirements, workmanship and skills applicable to the relevant industry;

e. the timetable and/or the performance schedule issued or (tacitly) approved by Industry International;

f. the requirement that materials and raw materials to be used satisfy the agreed quality and that tools and equipment used in the performance shall comply to the highest industry standards;

g. the requirement that the products and/or parts delivered can be delivered to Industry International on reasonable terms during a period of 10 years after the last delivery.

h. the requirement that the persons to be engaged by the Contractor are suitable for their duties;

i. the requirement that the performance shall include all permit applications required for the performance of the Agreement;

j. the requirement that engineering and other preparatory work and/or development work to be performed in connection with carrying out the Agreement is included.

3.2 The Contractor shall not issue any (direct) offers or price quotations to Industry International's Principal. This shall apply both to extensions and to changes in the work assigned to Industry International.

3.3 Delivery shall take place Delivery Duty Paid (DDP, in accordance with the INCO terms in force at the time of issuing the Order) at the location designated by Industry International, unless agreed otherwise in writing. The Contractor is obliged to inform Industry International in time, adequately and in writing if the delivery period shall be exceeded. Any partial deliveries shall require the prior written consent of Industry International. The Contractor is obliged, if required by Industry International, to provide a written production schedule or performance schedule and/or to cooperate with progress monitoring. The Contractor is obliged to cooperate if Industry International wishes to accelerate the progress. Delivery shall be deemed to be completed only when the order has been delivered/completed in its entirety – in accordance with the requirements contracted in the Agreement – at the place designated by Industry International.

4. Delivery periods

4.1 The agreed delivery periods in respect of all or part of the Contractor's performance shall be binding, meaning that in exceeding those terms the Contractor is in default without any notice being required.

4.2 The Contractor shall owe Industry International Liquidated Damages, immediately due, equal to 0.5% of the total agreed Order amount for each calendar day by which the delivery periods are exceeded, to a maximum of 10% of the total Order amount agreed with the Contractor. The Liquidated Damages in no way prejudices Industry International's right to legal compensation for damages.

5. Changes, additional work, reduced work

5.1 Industry International may require variations at any time to the scope, the nature of the work to be carried out, the services to be performed and/or the goods to be supplied.

5.2 Without prejudice to the provisions elsewhere in this article, additional work shall be reimbursed only:

a. if the Contractor has set out in writing in a timely manner the need for a price increase as a consequence of the additions or changes to the work required by Industry International, as agreed; and

b. if the Contractor has referred in writing in a timely manner to the magnitude of the tangible additional costs which are expected; and

c. if, after taking note of the information under (a) and (b), Industry International has issued a written instruction for the additional work; and

d. if Industry International has approved the additional work carried out; and

e. if and insofar as the amount invoiced for the additional work does not exceed the amount referred to under (b).

5.3 A change in the nature and scope of the performance that may affect the agreed price and delivery periods for the performance shall not affect the other provisions of the Agreement.

6. Price

6.1 The agreed price shall be fixed, firm and binding. The price cannot therefore be increased as a result of changes in currency exchange rates, purchase prices, freight charges, import and/or export duties, excise duties, levies, taxes, raw materials or semi-finished products, wages, and other performances due by the Contractor to any third parties.

6.2 Unless agreed otherwise the price shall include:

a. import duties, excise duties, levies and taxes (with the exception of turnover tax);

b. administrative charges and other levies or costs incurred due to permit applications;

c. fees for the use of intellectual and industrial property rights;

d. all costs related to, or ensuing from, the rendering of the agreed performance;

e. the costs of packing, transport, storage, insurance, premiums, installation and commissioning on site. This provision shall also apply to the goods provided by Industry International;

f. all other costs which are at the Contractor's expense pursuant to the Agreement or these general purchase conditions;
7. Invoicing and payment

7.1 Unless otherwise agreed, invoices shall be submitted to Industry International electronically.

7.2 Unless otherwise agreed in writing, the Contractor shall not invoice the amounts due by Industry International until the date of delivery of the goods or the date of acceptance of the performance by Industry International. If the invoice fulfills the requirements set by Industry International pursuant to the Agreement or these general purchase conditions, Industry International shall pay the invoice amount within sixty days of receipt of the invoice. Approval or payment of an invoice shall not constitute acceptance and shall not release the Contractor from any obligation vis-à-vis Industry International.

7.3 Industry International may suspend payment of invoices if the information to be submitted (periodically) by the Contractor to Industry International for the performance of the Agreement and/or the agreed security for payment have not been received or are not received in the correct form. The same shall also apply if the documents referred to in paragraph 7.1 are missing or are not signed.

7.4 Industry International may offset any due amounts with amounts that Industry International can claim from the Contractor. This provision shall also apply with respect to amounts due by the Contractor to a legal entity or company that is affiliated with Industry International.

7.5 Industry International shall not accept invoices received more than six months after delivery of the goods or the date of acceptance of the performance by Industry International. The Contractor’s right to payment of the invoices shall lapse after that period.

7.6 In the event of advance payment and/or payment in instalments prior to delivery, Industry International may demand a bank guarantee, to be provided in an acceptable format. This shall be at the Contractor’s expense.

7.7 The Contractor’s dated and numbered invoices shall include at least the following information, clearly and conveniently arranged. If such details are missing any payment obligation on Industry International’s part may be suspended.

a. Industry International’s contract number (purchase order number) and the Contractor’s contract number relating to the work;

b. the name (legal or trade name) and address of Industry International and that of the Contractor;

c. the work and the location(s) where the work was performed, to which the invoice relates;

d. the time period and the performance to which the invoice relates;

e. the instalment number;

f. the name and the registration number of the social security administration agency with which the Contractor is affiliated;

g. the Contractor’s tax number;

h. the VAT identification number under which the Contractor performed the delivery or service (in the event the Contractor is an enterprise);

i. the statement “reverse charge VAT” (“BTW verlegd”) if applicable in respect of the Agreement and Industry International’s VAT identification number.

j. the rate applied and the amount in turnover tax to be paid;

k. the Contractor’s bank account number;

l. the labour charges;

m. the time sheets signed off by Industry International.

7.8 Any interest due by Industry International to the Contractor shall be singular and equal to the Euro Interbank Offered Rate (Euribor) plus a surcharge of 50 basis points. For the rate, the one-month percentage on the date on which the invoice is due is applicable. Compounded interest shall not be paid.

7.9 In the event of late payment or non-payment of an invoice by Industry International on the basis of suspected substantive inaccuracy of the content of that invoice or of deficiency of the invoiced performance, the Contractor shall not be entitled to terminate or suspend its performance.

8. Obligation to provide information, inspection

8.1 The Contractor is to notify Industry International promptly and in writing of any circumstances that may affect or preclude performance of the Agreement. As a result of this information Industry International may, if necessary, take all necessary and reasonable measures at the Contractor’s expense, and/or demand amendment of the Agreement. Industry International may in such event also annul or terminate the Agreement judicially or extra-judicially. The above shall also apply if Industry International has reasonable expectation to suspect a similar situation.

8.2 Industry International shall be entitled – but not the obliged – to monitor the performance of the Agreement. Industry International may take all possible measures that it considers reasonable for that purpose. For example, Industry International shall have the right to require written monthly progress reports, and may audit the Contractor’s working principles at sites where the work is performed in whole or in part (either alone or accompanied by experts).

9. Warranty

9.1 Any defects in goods delivered, work performed and services rendered that have occurred before expiry of the warranty period are to be promptly remedied by the Contractor. Unless the Contractor proves that the defects were caused by improper use, the defective goods are to be replaced or repaired, at Industry
International’s discretion. If the defect becomes apparent in work, the work shall be performed again at the Contractor’s expense. If, during the statutory warranty period, the goods delivered or the results of the work performed perish in whole or in part or if they prove to be unfit for their intended purpose, shall, be deemed to be the result of a defect.

9.2 In the event that defects are discovered, the goods, parts of goods, results of work performed and/or services rendered in respect of which the defect has become apparent shall remain at Industry International’s disposal until the cause of the defect has been established. It shall be preserved and stored in a manner and location to be determined by Industry International. The Contractor shall bear all the expenses and risk in the event the goods, parts of goods are lost prior to determine the cause of the defect.

9.3 Industry International shall be entitled, in urgent cases if the Contractor remains in default or if the Contractor is unreachable, to carry out the replacement or repair (or to have it carried out) at the Contractor’s expense, without a written notice. It shall be at Industry International’s sole discretion whether a case is urgent or whether the Contractor is unreachable.

9.4 As soon as the replacement or the repair is completed and accepted by Industry International, a new warranty period equal to the original warranty period shall commence for that replacement or repair.

9.5 The warranty period shall commence upon written acceptance by Industry International of the goods delivered, the work performed and/or the services rendered. If any goods are intended for incorporation by Industry International in installations or systems, the warranty period shall commence at the time of completion by Industry International of the installations or systems of which it forms part.

9.6 Without prejudice to the provisions elsewhere in this article, the Contractor shall with regard to the goods delivered by it and/or the work performed by it at all times give at least the same warranty period which Industry International shall provide to its Principal. However, the warranty period shall be at least two years as a minimum. The warranty provided by the Contractor is without prejudice to the statutory rights of Industry International arising from non-conformity and/or hidden defects.

10. Default, termination, suspension

10.1 In the event of imminent lawful misconduct or imminent default on the fulfilment of the Contractor’s obligations, Industry International may unilaterally terminate the Agreement in whole or in part without any notice of default or judicial intervention by means of written notice to the Contractor and/or to suspend payment obligations and/or to instruct the performance of the Agreement to third parties in whole or in part, without Industry International being bound to pay any compensation, without prejudice to any further rights Industry International is entitled to, including Industry International’s right to full compensation. In the event the order is issued to a third party, the Contractor shall immediately provide all cooperation which can reasonably be expected given the circumstances.

10.2 In the event of imminent lawful misconduct or imminent default on the fulfilment of the Contractor’s obligations, Industry International may, without being obliged to pay compensation to the Contractor, suspend the performance of the Agreement in whole or in part and/or oblige the Contractor to suspend the performance of the Agreement for the duration of a period to be determined by Industry International.

10.3 With the exception of the cases referred to in paragraph 10.2 of this article Industry International may at all times suspend performance of all or part of the Agreement and require that the Contractor interrupt performance of the agreement for a term to be determined by Industry International if, in Industry International’s reasonable opinion, there is fair reason to do so. Industry International shall compensate any damage, insofar as it consists of direct costs audible incurred by the Contractor, insofar as these are reasonable. This does not apply in the case of force majeure on the part of Industry International.

10.4 The Contractor is obliged to mitigate any damage ensuing from the suspension or interruption by taking necessary measures to the conceivable extend.

11. Termination of the Agreement

11.1 Without prejudice to any other provisions governing (early) termination and without prejudice to its legal options in respect of dissolution or termination of the Agreement, Industry International may annul the Agreement judicially or extra-judicially and immediately (without any further notice of default) in the following cases:

a. if the Contractor or the party that has provided a guarantee or security for performance of the Contractor’s obligations, files for a provisional moratorium on payment of debts. The foregoing shall also apply if the Contractor is declared bankrupt, enters into voluntary or involuntary liquidation, discontinues its business activities, adopts a resolution to discontinue and wind up its business, or files for bankruptcy or a moratorium on payment of its debts;

b. if there are changes in respect of the Contractor’s shareholders, insofar as Industry International is of the reasonable opinion that they entail a considerable increase in the risk;

c. in the event of attachment against the Contractor, or in the event of threatening attachment or other legal action in respect of the Contractor’s assets;

d. if the Main Agreement between Industry International and the Principal is terminated or suspended in whole or in part.

11.2 In addition to the cases specifically provided for in the Agreement, Industry International may annul the Agreement early, judicially or extra-judicially, after it has begun to be performed, against compensation of all performances already rendered by the Contractor and accepted by Industry International, increased by a reasonable compensation. That compensation shall be a maximum of 10% of the remaining agreed price, to cover damage suffered and costs incurred by the Contractor as a result of non-completion of the Agreement. This shall at all times be limited to a maximum of the value of the order/contract price plus any
additional work or minus any cancelled work. Industry International shall give reasons for any such extra-judicial dissolution.

12. Intellectual and industrial property rights, rights to drawings, etc.

12.1 The Contractor warrants that the performance and normal use of the performance rendered in the broadest sense shall not infringe any patent, copyright, trademark right or other absolute rights of any third party. The Contractor indemnifies and hold harmless Industry International in respect of any such claims and any proceeding expenses in case of such claims.

12.2 All drawings, models, specifications, required materials, calculations and other documents or other data carriers and software (including copies) made or used by Industry International or the Contractor are or shall become the property of Industry International upon creation. It shall be individualized immediately for this purpose and provided with clear distinguishing marks and/or shall be provided to Industry International free of charge immediately upon request. The Contractor warrants that goods used, to be delivered or delivered by it under the Agreement do not infringe any intellectual property rights of third parties. The Contractor indemnifies and hold harmless Industry International against any and all claims of third parties based on any (alleged) infringement of such rights and shall compensate Industry International for any damage suffered as a result.

12.3 The Contractor shall grant Industry International a worldwide, exclusive and irrevocable licence with the right to grant sub licences, to any intellectual property rights related to the goods created by the Contractor if the transfer referred to in paragraph 12.2 is not (yet) possible in accordance with the law. The relevant licence fee is included in the contract price. If so required, Industry International may enter the licence (or to have it entered) in the relevant registers, for which the Contractor shall provide the necessary cooperation. In the event a deed should be required or advisable for the transfer of the intellectual property rights as referred to in paragraph 12.2 or the granting of a licence referred to in this paragraph, the Contractor shall cooperate without reservation in having such deed.

12.4 The Contractor shall notify Industry International immediately if third parties infringe (or if there is a threat that third parties shall infringe) Industry International’s intellectual property rights.

12.5 The Contractor shall return to Industry International all goods and documents referred to in line one of paragraph 12.2 immediately at Industry International’s request, free of charge and segregated per Order within two weeks of receiving such a request.

13. Confidentiality / non-competition

13.1 The Contractor shall keep secret, treat in confidence and refrain from disclosing the existence and the content of the request for a quotation, the quotation and/or Agreement and shall use them solely in order to carry out Industry International’s order(s). This provision shall also apply in respect of all knowhow, data, information, drawings, and so forth that are provided to the Contractor in any form whatsoever or that are created by the Contractor in the context of performing the Agreement. The Contractor shall impose the same confidentiality obligation in writing on any third parties engaged by it in the performance of the agreement and cause any such third parties to sign the confidentiality undertakings provided by Industry International. All information referred to in this article shall be returned in full to Industry International immediately upon request and free of charge.

13.2 The Contractor shall refrain from making (price) quotations to third parties for works performed or offered by Industry International.

13.2 The Contractor is not permitted to give any form of publicity to the performance of the Agreement without Industry International’s prior written consent. This provision shall also apply in respect of knowhow, data, information, drawings, and so forth in any form whatsoever. None of the foregoing may be used (or permitted to be used) or copied for any other purposes, except in connection with carrying out Industry International’s order(s) or in order to maintain direct or indirect contact with Industry International’s instructing principal(s).

14. Waiver of rights

14.1 Any delay or failure to demand strict compliance with any contractual or non-contractual obligations or to exercise any right shall not preclude Industry International from exercising its rights. Waiver of rights is valid only in case confirmed by Industry International in writing.

14.2 Approval, acceptance or consent provided by Industry International, as referred to in these general purchase conditions, never waive Industry International’s rights and does not release the Contractor from its obligations under the Agreement.

15. Liability and compensation of damage

15.1 The Contractor is liable for and shall indemnify and hold harmless Industry International against any claim of damage which is the result of non-fulfilment, late fulfilment or improper fulfilment of the Agreement by the Contractor or of the breach by the Contractor of any other contractual or extra-contractual obligation with regard to Industry International or third parties. For the avoidance of doubt, third party also includes personnel of Industry International or third parties engaged directly or indirectly by Industry International or their personnel. Industry International’s administration shall serve as full evidence of the damage suffered by it contrary to the evidence provided by the Contractor.

15.2 Industry International is entitled, but is not obliged, to reimburse (or have reimbursed) all damage and/or rectify (or have rectified) all damage attributable to the Contractor directly and at the Contractor's expense and risk. The costs of this shall immediately be reimbursed to Industry International by the Contractor, possibly increased by proceeding costs and legal assistance costs paid or due by Industry International, and can be deducted from the contract price by Industry International or be off-set against amounts due to the Contractor.

15.3 In the event it can be proved by the Contractor that Industry International is in defaults and/or acts unlawfully with regard to the Contractor or is obliged to pay compensation to the Contractor for other reasons, Industry International is liable only for compensation of the damage suffered and/or to be suffered by
the harmed party subject to the provisions elsewhere in this article.

15.4 Industry International's liability for consequential and indirect damage is excluded. This includes in any case lost profit and lost savings.

15.5 Without prejudice to the provisions elsewhere in these general terms, Industry International's liability is at all times limited to €1,500,000 per incident, with a maximum of €3,000,000 for the entire duration of the Agreement.

15.6 Industry International's liability is limited to a maximum of the net amount reimbursed by Industry International's insurer(s) if Industry International cannot invoke the provisions of paragraph 15.5 of this article.

15.7 The Contractor may claim compensation of its damage in the event of default and/or unlawful act by Industry International in the event the Contractor has given Industry International written notice of default and Industry International has not correct and/or rectify the unlawful situation within the notification period.

15.8 Defects in performance delivered by Industry International shall be notified by the Contractor to Industry International in writing within two months of when the relevant defect was perceived or reasonably could have been perceived. Industry International is entitled to disregard notifications that are reported within two months.

15.9 The limitations of Industry International's liability included in this article do not apply to Industry International's liability for damages relating to personal injury or death.

15.10 Paragraph 15.9 of this article does not apply to agreements and statutory corporation to which the law of the United States of America or Canada applies.

16. Assignment, third parties

16.1 The Contractor may not assign, pledge, or transfer title of the Agreement, any part thereof or rights or claims arising from the Agreement to third parties without Industry International's written consent. Industry International shall not unreasonably withhold its consent and is entitled to stipulate specific conditions to this consent.

16.2 The Contractor shall represent and bear liability for sub-contractors and/or other third parties who have been contracted by Contractor. The Contractor warrants that sub-contractors and third parties shall comply with these general purchase conditions, and with all other applicable regulations, legislation and standards in connection with the performance. The Contractor warrants that Industry International can also exercise its powers arising from them vis-à-vis such sub-contractors and third parties.

16.3 None of the provisions in these general purchase conditions can be deemed to have been agreed for the benefit of third parties, unless explicit agreed.

17. Insurance

17.1 The Contractor is obliged to take out insurance which is satisfactory to Industry International, with a minimum cover of €2,500,000 per event or, for design and construction work, €10,000,000 per event, and a maximum excess of €2,500 to cover its liability and to at all times pay the premium in time, whereby in the event of failure to do so Industry International may annul the Agreement without prejudice to Industry International's other rights, including the right to take out the relevant insurance itself and to recover the related costs from the Contractor.

17.2 The Contractor is obliged to take out primary insurance which is satisfactory to Industry International to cover the construction risk on an All Risk basis (CAR/EAR insurance), to cover the categories (a) damage to the work effected by the contractor up to the value of that work and (b) damage to property of Industry International, or its Principal, to a minimum of €2,500,000 and (c) damage to tools, sheds, warehouses, etc. to a minimum of €50,000 with a maximum excess of €1,250 per category.

17.3 Industry International may require the Contractor to include Industry International including its client as co-insured in the Contractor's insurance policy (or policies), and as beneficiary with simultaneous waiver by the insurers of the right of recourse, and that the insurers have the right to directly compensate Industry International and/or third parties designated by it. On the request of Industry International the Contractor is obliged to submit a copy of the insurance policy (or policies) and proof of payment of the insurance premiums.

17.4 The provisions elsewhere in this article are without prejudice to Industry International's right to set additional requirements of the Contractor relating to insurance, if its justified interests give rise to such.

18. Fair business practices, anti-bribery and anti-money laundering

18.1 The Contractor shall carry out its business activities in an honest, ethical and lawful manner, in accordance with generally accepted codes of conduct, and shall avoid unacceptable activities, including acceptance of or acquiescing in extortion, bribery, use of child labour, breach of human rights or imposing unreasonable working conditions.

18.2 The Contractor acknowledges that it is familiar with and shall comply with the anti-bribery and anti-money laundering legislation in all countries where it has establishments or offices, and in which it does business, and that it has implemented internal policy rules relating to sound business conduct. The Contractor confirms that it shall not carry out or permit any actions which would lead to Industry International breaching any applicable anti-bribery or anti-money laundering regulations.

18.3 The Contractor warrants to Industry International that the Contractor and its employees, agents, representatives, affiliated businesses and persons who are in the employ of or act on behalf of the Contractor, have not committed acts of bribery or attempted bribery prior to the date of the Agreement (for example, but not exclusively: making an offer of any form of payment, gift or other form of encouragement, inducement, remuneration or benefit, whether in the form of money or in the form of items of value) vis-à-vis Industry International or its employees, agents, representatives, affiliated businesses or persons in the employ of
or acting on behalf of Industry International, public or government officers or government employees, public international organisations, political parties, individuals or other entities, with a view to securing and/or obtaining or retaining business transactions with Industry International, whether in connection with the Agreement or otherwise.

18.4 The Contractor warrants that performance of the Agreement shall not result in any breach of any treaty or legislative provision in the area of export control, prohibitions or restrictions or in the area of international sanctions in this respect and states that the business run by the Contractor at all times complies with and shall continue to comply with the relevant regulations.

18.5 The Contractor shall indemnify and hold Industry International harmless against all claims, costs, expenditure, damages, demands, legal actions and damages (including direct, indirect or consequential damage, lost profit, reputational damage and all interest, fines, legal assistance and other costs and expenditure) suffered or incurred by Industry International, which ensue from or are connected with a breach of this article, regardless of whether the Agreement has ended.

19. Applicable law, competent court

19.1 These general purchase conditions, and the Agreement(s) concluded with the Contractor, are governed by the laws of the Netherlands. The 1980 Vienna Sales Convention (CISG) is not applicable.

19.2 All disputes (including disputes that are deemed as such by only one of the parties) that arise between parties as a result of the Agreement or Agreements that ensue from it shall be resolved by the competent court in Rotterdam, the Netherlands, in the English or Dutch language, or, at the discretion of Industry International by arbitration in accordance with the Regulations of the Netherlands Arbitration Institute (NAI). If there is a dispute, Industry International shall express its preference within four weeks after the Contractor has requested it to do so.

II. SPECIAL PROVISIONS REGARDING THE SUPPLY OF GOODS

In addition to the General Section (I), the supply of goods shall also be governed by this section (II).

20. Quality and description of the goods to be supplied

20.1 The goods to be supplied:

a. shall be in accordance with the provisions contained in the Agreement in respect of quantity, description and quality;

b. shall adhere and comply in all regards with the applicable specifications;

c. shall be accompanied by the necessary instructions to Industry International or its staff to enable it independently to use the goods supplied;

d. shall be created from sound, new materials and in accordance with high standards;

e. shall be fit for the purpose for which they are intended;

f. shall be manufactured from parts and raw materials the origin of which can be traced;

g. shall not contain any asbestos or other carcinogenic substances, or otherwise be hazardous to health and environment;

h. shall be accompanied by the required documents, such as packing lists, (warranty or quality) certificates, attestations, drawings, instruction manuals, spare parts lists and maintenance instructions;

i. shall be in compliance in all regards with all the applicable statutory requirements, regulations and European directives (such as CE and EMC marking and the REACH directive) in respect of design, composition and quality;

j. shall bear a type, serial and hardware number and an indication of the country of origin by means of an adequate identifying mark from the manufacturer or importer. If that is not possible, the delivery’s packaging shall bear such identifying marks;

k. shall be accompanied by invoices in duplicate addressed to Industry International, in addition to the date, invoice number and order number and statutory information, shall also state the name of the manufacturer and the importer, as well as the type, serial and device number.

21. Inspection and testing

21.1 Industry International and its Principal shall be entitled to inspect and audit (either itself or by a third party) the production or the assembly and any sub-contracting of the agreed delivery at any location. Industry International shall also be entitled to inspect and test (either itself or by a third party) semi-finished products or finished products prior to delivery. Inspection or testing shall not imply that the Contractor is no longer obliged to give any warranty or that the Contractor is no longer liable. The other obligations ensuing from the Agreement shall also continue to exist.

21.2 The costs related to the inspection and testing shall be borne by the Contractor.

21.3 In the event of rejection of the goods delivered, Industry International shall promptly notify the Contractor. The Contractor shall then immediately repair or replace the goods that have been delivered, at Industry International’s discretion.

22. Packaging, transport, storage, installation

22.1 The Contractor is responsible for adequate packaging of the goods and shall not harm the environment. The Contractor shall take the mode(s) of transport into account and shall observe the applicable legislation and regulations of the country of final destination.

22.2 The Contractor is responsible for removing and/or disposal of packaging, dirt, waste and redundant materials at its own expense insofar as they originate from or are related to the supply of goods or the performance of work under the Agreement. The Contractor shall comply with the legislation and regulations applicable at the time of the removal and/or disposal.
22.3 The costs of packaging, transport, storage, insurance and installation of the goods, including any goods made available by Industry International, shall be borne by the Contractor. To the extent that Industry International has incurred such costs, the Contractor shall promptly reimburse such costs to Industry International.

22.4 If the goods are ready for delivery, but Industry International is unable to take delivery at the agreed time, the Contractor shall retain the delivery separately and recognizable as destined for Industry International. The Contractor shall secure the delivery and take all measures necessary to prevent any reduction of quality until the goods have been delivered. Industry International shall reimburse the reasonable costs attributable incurred by the Contractor.

23. Transfer of title and risk

23.1 The risk of the goods to be delivered shall not pass from the Contractor to Industry International until delivery. The title of the goods to be manufactured or delivered shall pass to Industry International upon (actual) delivery. In the event of down payments, the title shall be passed on to Industry International upon manufacturing. The Contractor shall individualize the goods as Industry International’s goods using unique identifying marks. The Contractor warrants that full and unencumbered title shall be transferred.

23.2 Goods to be provided to the Contractor by Industry International for repair, handling or processing shall be at the Contractor’s risk during the period in which they are being repaired, handled or processed. The Contractor waives its right of retention in respect of such goods and/or the work in favour of Industry International.

24. Liability of and indemnification by the Contractor

24.1 The Contractor is liable for compensation of any costs and damage - including damage due to personal injury and financial loss - caused by a defect in the goods supplied and/or the equipment or materials used in the performance. This provision shall also apply if the damage or costs were caused by any imprudent act on the part of the Contractor, its subordinates or third parties engaged in the performance of the Agreement.

24.2 The Contractor shall fully indemnify Industry International and/or its Principal against the liability referred to in paragraph 24.1.

III. PROVISIONS FOR THE PERFORMANCE OF SERVICES AND ORDERS AND CONTRACTING OF WORK

In addition to the General Section (I), the performance of services and assignments and the contracting of work shall also be governed by this section (III).

25. Provision of information

25.1 The Contractor shall provide upon first demand prior to the Agreement and during the performance thereof all documents available to Industry International which Industry International may reasonably demand be made available, including, for example:

- an up-to-date excerpt from the register of the Chamber of Commerce – not older than six months;
- a photocopy of the guarantee account agreement;
- a photocopy of a valid proof of registration with a trade association;
- a recent entry in the Special Register of the Netherlands Association for Registration of Subcontractors [Bijzonder Register van de Vereniging Registratie Onderaannemers], if available;
- a recent entry in the register of the Netherlands Foundation for Financial Supervision [Stichting Financieel Toezicht];
- a certificate of payment conduct relating to labour Law deductions (employees’ insurance contributions, national insurance contributions, income-related healthcare insurance contributions and wage tax) from the Tax Authorities – not older than three months;
- a photocopy of the applicable Safety, Health and Environment Checklist Contractors (SCC) certificate [VCA-certificaat];
- a photocopy of the NEN 4400 certification, if available;
- a declaration of Independent Contractor Status [verklaaring arbeidsrelatie];
- other fiscal, insurance and other documents, the existence of which may be of reasonable interest for Industry International.

26. Performance schedule

26.1 The Contractor shall submit a performance schedule at Industry International’s request. The performance schedule shall include the times at which the successive parts of the work shall be started and completed and the staffing. If the parties have agreed that Industry International shall deploy equipment, the times of such deployment shall also be included in the performance schedule. The performance schedule shall form part of the Agreement after it has been approved by Industry International.

26.2 During performance of the work Industry International may make changes to the performance schedule. Any consequences of changes shall be arranged in co-operation between Industry International and the Contractor. The agreement shall be amended if necessary.

26.3 In accordance with Industry International’s demands, the Contractor shall periodically report to Industry International on the progress of the work and all related aspects.

27. Contractor’s Staff

27.1 The Contractor is obliged to register its staff members with Industry International. The following information is required: full name, address, date and place of birth, nationality, tax registration number and the number and type of identity document. In addition, a copy of the identity document and (if applicable) the residence permit and work permit shall also be submitted, as well as a health/vaccination statement and – if requested – proof of training/certification.
27.2 The Contractor shall be responsible for the day-to-day management and the supervision of the work being performed. The number of authorised and skilled supervisors to be made available by the Contractor in this regard shall be in accordance with the scope and nature of the work and the requirements stipulated by Industry International. Supervisors shall speak fluent English, unless the parties agree otherwise.

27.3 The Contractor warrants that the services to be rendered by the employees shall be performed skillfully, professionally and without interruption. The employees satisfy and shall continue to satisfy the agreed qualities in terms of education, expertise and experience.

27.4 The Contractor shall provide employees with tools and personal protection equipment.

27.5 The Contractor may temporarily or permanently replace employees only on an occasional basis and only with the prior approval of Industry International. Industry International shall not unreasonably withhold its consent. Industry International may set additional conditions to its consent. Paragraph 27.1 shall apply in the event that employees are replaced.

27.6 Industry International and the Contractor may agree a probationary period for employees. If during the probationary period it appears that any employees are not performing the work to Industry International's satisfaction, the Contractor shall be obliged to replace these employees promptly. Contractor is not allowed to charge Industry International any extra costs.

27.7 The Contractor shall replace employees immediately at Industry International's request with other employees who do meet the requirements. If employees do not have the necessary qualifications or expertise, the provision shall also apply to employees who do not comply with the rules and policies in force or who otherwise violate. The Contractor will replace employees without charge to Industry International.

27.8 The work shall be performed in accordance with applicable working hours and code of conduct in force at Industry International at that time. The Contractor shall instruct employees to comply with this requirement.

27.9 Extra costs that arise because work shall be performed outside the customary working hours in order to deliver on the date indicated in the Agreement shall be borne by the Contractor, unless agreed otherwise in writing.

27.10 Industry International shall be authorized to regular headcounts in the workplace. The Contractor shall also fully cooperate with (other) reasonable administrative measures made or to be made by Industry International in order to monitor staffing levels in the workplace or for the work performed. For example, the Contractor may be requested to provide a daily summary of the staff planning on the work site, categorised according to all the work the Contractor is performing. Industry International may also ask the Contractor to provide time sheets for each employee, signed off by Industry International.

27.11 Industry International may, at its sole discretion, offer (subordinate or non-subordinate) employees of the Contractor a(n) (employment) contract once they have worked a minimum of 1000 hours (in a field job) or 1500 hours (in an office job), or three months posterior to the end of an Order, in which case the Contractor shall not impose any restrictions on the relevant employee in whatever form which prevent him from entering into an (employment) contract with Industry International.

28. Health, safety and welfare in the environment

28.1 The Contractor is responsible for the welfare, health and safety and proper environmental conditions in the workplace. The Contractor shall comply with all locally applicable statutory safety and environmental regulations.

28.2 The materials, tools and equipment used by the Contractor (such as hoisting and lifting equipment, ladders and scaffolding) shall at least satisfy the applicable statutory requirements and shall be free from defects and in excellent conditions. Industry International is entitled to assess it and the assessment is subject to the rules set by Industry International and/or its Principal.

28.3 Staff members who, in Industry International's opinion, act unsafely in the workplace, shall be removed from the workplace upon first demand. The Contractor shall ensure the staff members are replaced promptly, at no cost for Industry International.

28.4 Industry International may in any unsafe situation caused by the Contractor, instruct to discontinue and/or suspend the work. Industry International is not liable to pay any compensation and delay will not be regarded as force majeure.

29. Intervention in the work

29.1 Industry International shall notify the Contractor thereof in writing if at its sole opinion the work progress is such that the period for completion of the performance, or part thereof, shall be exceeded. This provision shall also apply if, in Industry International's opinion, the work is not, or has not been, performed in accordance with the provisions of the Agreement and/or in accordance with highest standards.

29.2 Within two weeks of receipt of a notification as referred to in paragraph 29.1, the Contractor shall take measures to ensure that the delay shall be caught up or the above provisions and requirements shall be met. Industry International may take at its own discretion any measures deemed to be necessary, without any judicial intervention being required. The Contractor failing to comply with the notification, for example, Industry International, or any third parties acting on its behalf, may take over the work from the Contractor, in which case the Contractor shall fully cooperate with Industry International and such third parties.

29.3 Any costs to be incurred by Industry International in connection with the provisions in paragraph 29.2 shall be borne by the Contractor. The Contractor shall immediately reimburse Industry International for such costs, including compensation for supervision and overhead costs.

29.4 Industry International may immediately intervene in the work if necessary in respect to business circumstances, safety and/or statutory regulations. This shall not relieve the Contractor from its liability under the Agreement. Industry International shall at all times report any intervention to the Contractor without any delay.
30. Completion, acceptance, commissioning, risk

30.1 The completion or acceptance shall be deemed to have taken place when Industry International has accepted the work performed in writing unless the Agreement provides otherwise. Acceptance is without prejudice to the rights of Industry International under the Agreement.

30.2 Industry International or an third party acting on its behalf may commission the work or parts of it, prior to completion. Commissioning of the work, or the relevant part, shall not be deemed to constitute completion or acceptance. In the event the Contractor is required to do more effort than reasonably required under the Agreement, the consequences shall be settled amicably between the parties. The risk stays with the Contractor until the work have been completed. The Contractor is to arrange replacement or correction in the event of loss of, or damage to, the work.

30.3 The risk of the goods to be delivered shall not pass from the Contractor to Industry International until completion of the work of which the delivery forms part. Title to the goods shall pass to Industry International upon actual delivery. In the event of down payments, the title shall be passed on to Industry International upon manufacturing, in which case the Contractor shall immediately individualize the goods as belonging to Industry International. The Contractor warrants that full and unencumbered title shall be transferred.

30.4 Goods that Industry International has provided to the Contractor for repair, handling or processing shall be at the Contractor's risk during the period in which they are being repaired, handled or processed. The Contractor waives its right of retention in respect of such goods and/or the work in favour of Industry International.

31. Subcontracting, engaging third parties

31.1 Without Industry International's written consent the Contractor shall not (a) subcontract the Agreement or any part of it (b) hire or engage third parties to do so. An exception to this provision is any part of an Agreement in which subcontracting or the engagement of third parties is specifically mentioned in the Agreement or the specifications. Third parties include: self-employed persons with no staff [Zelfstandigen Zonder Personeel], directors and major shareholders, subcontractors and temporary employment agencies. If Industry International has given written consent, the Contractor shall include the same risk mitigating measures in its agreement with the third party or third parties in question as included in the purchase conditions and the Agreement for the provision of services with industry International.

31.2 The consent referred to in paragraph 31.1 shall not mean that any obligations ensuing from this Agreement shall expire.

32. Materials, tools, parts, attestations, drawings and similar items which are made available

32.1 Materials, tools, parts, attestations, drawings and similar items made available by Industry International to the Contractor in connection with the performance of the Agreement shall remain the property of Industry International. The Contractor shall clearly mark them as such and individualize them in a manner that is recognizable to third parties. They are to be returned in good condition after the agreement has been performed.

32.2 Items referred to in paragraph 32.1 shall be held at the Contractor's risk until it have been returned to Industry International. The Contractor shall be obliged to properly maintain those items.

32.3 The Contractor shall at its own expense and against market conditions, take out insurance for all the goods that it receives from Industry International in connection with the Agreement, against the risks related to their being lost or damaged in whole or in part as a result of fire, theft and destruction.

32.4 The Contractor shall inspect the goods, referred to in this article, upon receipt to ensure that the goods are in accordance with the specifications. The goods shall also be clearly marked to show that the goods are the property of Industry International. Industry International shall assume that the items referred in this Article have been provided to the Contractor in good condition and in accordance with the required specifications unless the Contractor has given written notification within a term of seven days after receiving them.

33. Netherlands Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act [Wet ketenaansprakelijkheid]

33.1 The Contractor shall comply with the statutory obligations for payment of Payroll Tax, Premiums and other Social and Fiscal Costs for its employees, according to the applicable local legislation of the place where the payments are due.

33.2 The Contractor shall indemnify Industry International against any claim by the Tax Authorities in respect of statutory payroll tax and social security contributions due for its employees. This includes interest, penalties and costs, as well as legal fees in respect of a defence against a possible liability.

33.3 Without prejudice to paragraphs 33.1 and 33.2, the Contractor shall maintain all accounting records to allow the labour component for each project to be audited. Industry International may inspect those accounting records at any time. The Contractor shall specify the actual labour portions costs in each invoice.

33.4 Industry International may pay the Contractor the statutory tax related to the work, for which it is jointly and severally liable pursuant to the Netherlands Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act, by transferring the relevant amount to the latter’s blocked account within the meaning of the Act (the guarantee account). Furthermore, Industry International may directly transfer the statutory tax to the Tax Authorities, in which case Industry International shall not have any further payment obligation in respect of statutory tax and social security contributions vis-à-vis the Contractor.

33.5 Industry International shall directly transfer 45% of the labour portion — and if this is unknown 45% of the invoice amount – to the relevant account of the Tax Authorities or to Contractor's guarantee account, unless agreed otherwise.
33.6 Industry International may change the percentage if the agreed percentage proves not to be in accordance with the actual statutory tax and social security contributions due from the Contractor.

33.7 A direct transfer or transfer into the guarantee account shall constitute payment in discharge of the obligation.

33.8 The Contractor shall state in each invoice “reverse charge VAT” and Industry International’s VAT identification number if the VAT reverse charge scheme applies in respect of the Agreement.