

General terms and conditions of purchase of International Bike Group b.v. (IBG)

1. Definitions

In these General Terms and Conditions of Purchase, the terms and expression used below are defined as follows:

- IBG:** INTERNATIONAL BIKE GROUP B.V. or one of its group companies that has declared these Terms and Conditions of Purchase applicable to its legal relationship(s) with Supplier;
- Supplier:** the other party of IBG;
- Contract:** the agreements (including order) laid down in writing between IBG and the Supplier concerning the delivery of Goods;
- Delivery:** placing one or more goods in the possession or under the control of IBG and the possible installation/assembly of these goods;
- Goods:** the goods or services to be delivered;
- Parties:** IBG and the Supplier.

2. Applicability and contracting basis of a Contract

- a.** These Terms and Conditions of Purchase ("GT&C's") shall apply to all Contracts and all invitations and offers concerning the Delivery of Goods by the Supplier to IBG. No general terms and conditions (of delivery/sale) of the Supplier shall be applicable to the Contract.
- b.** Deviations from these GT&C's are accepted only if expressly in writing on the order form of the Contract.
- c.** IBG is entitled to terminate negotiations at any point in time, with immediate effect, for any or no reasons and without any obligation. All Contracts are subject to written approval of those authorized to act on behalf of IBG.
- d.** IBG is not required to procure Goods of Supplier exclusively, or a certain volume thereof, other than as explicitly agreed upon in a Contract.

3. Assignment of Obligations

- a.** The Supplier may only assign an obligation under the Contract to a third party with express prior written permission from IBG (which permission IBG may withhold for no reason).
- b.** In cases of assignment to a third party of (part of) the obligations under the Contract, the Supplier shall be obligated to inform IBG of the security provided for the payment of BTW (Dutch sales tax), Income Tax and Social Insurance Premiums, which are prescribed for employers by law.

4. Price and Price Review

- a.** All prices are fixed, in Euro, excluding VAT and including all costs related to the performance of the Contract (including travel costs, costs of packaging, subsistence costs and costs of transferring and granting rights) and taxes other than VAT. Costs which are not included in the agreed upon prices (including for additional work) may only be charged by Supplier if IBG explicitly agreed upon these costs in writing prior to such costs being incurred.
- b.** The Supplier shall not be entitled to change the agreed price,

5. Invoicing and Payment

- a. 1.** Payment of the invoice, including BTW, shall be made by IBG within 60 days of Delivery and approval of the Goods and any installation/assembly of them, and after receipt of the invoice. If the Goods concern ongoing services, Supplier may invoice IBG monthly afterwards.
- 2.** Interest payable by IBG for late payment is the statutory interest pursuant to clause 6:119 Dutch Civil Code.
- b.** IBG shall be entitled to suspend payment if it discovers a defect in the Goods and/or their installation/assembly, if any.
- c.** IBG shall be entitled to deduct the amounts owed by the Supplier to IBG from the amount of the invoice.
- d.** Payment by IBG shall not imply the waiver of any right.
- e.** The Supplier shall not be permitted to assign claims against IBG to third parties without prior express written permission from IBG. This clause has effect under property law.

6. Delivery Time

- a.** The agreed time of Delivery is of the essence. Failing prompt delivery, the Supplier shall be in default without further notice.
- b.** If Supplier risks failure to meet Delivery on time, the Supplier shall notify IBG of this immediately in writing. This is without prejudice to the possible consequences of such lateness under the Contract or statutory provisions.
- c.** In the event of a delay in delivery, IBG shall be entitled to claim a penalty (which shall be immediately due and payable), the amount of which shall be 2.0% per cent of the net value of the goods to be delivered late for each full or partial week of such delay, but may not exceed 10% of the total net value of the order. If the penalty to be paid reaches the said 10%, IBG shall be entitled to rescind the contract/order with immediate effect. This penalty is without prejudice to IBG's other rights, such as to claim damages.

7. Delivery

- a.** Delivery shall take place at the agreed place and time (during normal business hours), in accordance with the agreed Incoterms. Supplier shall ensure that the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition.
- b.** If Supplier: (a) delivers less than 100% of the quantity of the Goods ordered IBG may reject all delivered Goods; or (b) delivers more than 100% of the quantity of Goods ordered, IBG may at its discretion reject all Goods or the excess Goods, and any rejected Goods shall be returnable at Supplier's risk and expense. If Supplier delivers more or less than the quantity of Goods ordered, and IBG accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods.
- c.** IBG shall have the right to postpone Delivery. In that case, the Supplier shall store the Goods in sound packaging, separately and in a recognizable manner, and preserve and insure them.
- d.** (Partial) Deliveries must be reported to IBG promptly in advance. They must also be accompanied by itemized packing lists, mentioning all particulars. Invoices must also be sent immediately at the time of Deliveries. IBG shall be entitled not to accept Goods if their Delivery is not properly reported, or if they reach IBG without proper packing lists and/or invoices; in such cases IBG may return those Goods to the Supplier at the Supplier's expense and risk.
- e.** Each delivery of the Goods is accompanied by a delivery note which shows the date of the order, the order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable) and special storage instructions (if any).

8. Breach of Contract

- a.** In the event of a breach of contract by the Supplier, and if IBG is required by law to send a notice of default, a term of eight days will be considered reasonable in all cases. b.
- c.** The statutory interest on amounts paid in advance by IBG (if any) shall be set off against the invoices to be paid over the period of the default.
- d.** In the event of impossibility to perform the Contract due to a force majeure of one of the parties, the obligations of the Parties shall be suspended for 1 week. If the force majeure continues beyond that time, IBG shall be entitled to rescind the Contract without notice of default being required. In such a situation, the Parties shall not hold each other liable for damages.
- e.** The Parties may only rely on impossibility to perform against each other due to a force majeure if the party in question informs the other party of such reliance in writing as quickly as possible, but no later than within 5 business days of the occurrence of the impossibility to perform, submitting the necessary proof.

9. Warranty

- a.** The Supplier warrants that the Goods and any installation/assembly thereof are in accordance with the terms agreed in the Contract.
- b.** The Supplier warrants that all goods, materials, standards and techniques used for the Goods, are of the best quality and are free from defects in workmanship, installation and design.
- c.** The Supplier warrants that all Goods shall be free from defects in design, material and workmanship and remain so for a period of 3 years (or such term as agreed in the Contract).
- d.** The Supplier warrants that the Goods are absolutely complete and ready for use. The Supplier shall ensure that, among other things, all parts, auxiliary materials, accessories, tools, spare parts, instructions for use and instruction manuals (in the Dutch or English language) which are necessary for achieving the object indicated by IBG in writing are also delivered, even if they have not been mentioned by name.
- e.** The Supplier warrants the availability of spare parts for a period of at least 10 years, unless otherwise agreed in writing.
- f.** The Supplier warrants that the contents of the delivery comply with all statutory provisions, including those pertaining to quality, environment, safety and health.
- g.** If IBG discovers that the contents of the delivery do not (wholly or in part) comply with that which the Supplier has guaranteed under items a. through d. of this Clause, the Supplier shall be in default, unless the Supplier can prove that the shortcoming of the Goods is the result of IBG's misuse of the Goods
- h.** If in IBG's reasonable opinion or if instructed by official authorities, (certain) Products contain safety issues, a safety expert may be appointed to advise whether a recall of such Products should be performed, but IBG has the right to decide to act to safeguard the immediate safety of our customers. IBG will inform Supplier immediately if there is a risk for a recall. If confirmed such issue is caused by the product supplied by the supplier, then all costs (including IBG's costs) related to a recall are for Supplier's account and these costs are not subject to the limitations of liability. Parties agree that we need to ensure the safety of our end customers using our products, and comply to national and EU regulations.

10. Intellectual and Industrial Property Rights

- a.** The supplier warrants the (use of) the Goods delivered to IBG do not infringe the intellectual and/or industrial property rights of third parties.
- b.** The Supplier shall be entitled to use information provided by IBG, but only in connection with the Contract. This information is and shall remain the property of IBG. The terms of any non-disclosure, confidentiality or similar such agreement that has been executed between the Supplier and its affiliates and IBG in connection with the Contract shall be automatically incorporated into the Contract, unless the Parties expressly request otherwise in writing.
- c.** The Supplier warrants that all drawings, photographs and text made in connection of the Contract will be marked with "Copyright" International Bike Group BV.

11. Documentation

- a. The Supplier shall be obligated to provide IBG with the corresponding documentation prior to or simultaneously with the Delivery.
- b. IBG shall be at liberty to use this documentation, which includes reproduction for its own use.
- c. For Goods imported into the EU, the Supplier must declare that the Goods delivered satisfy the applicable conditions of origin and that the validity of the certificates used and to be used has been confirmed by the competent authorities.

12. Liability

- a. Supplier shall keep IBG indemnified against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by IBG as a result of or in connection with:
 - (i) any claim made against IBG for actual or alleged infringement of a third party's intellectual and/or industrial property rights arising out of or in connection with the supply or use of the Goods, to the extent that the claim is attributable to the acts or omissions of Supplier, its employees, agents or subcontractors;
 - (ii) any claim made against IBG by a third party for death, personal injury or damage to property arising out of or in connection with defects in the Goods, to the extent that the defects in the Deliverables are attributable to the acts or omissions of Supplier, its employees, agents or subcontractors; and. During the term of the Contract and for a period of 12 months thereafter, Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on IBG's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.
- b. If a Delivery concerns goods belonging to IBG which are to be processed or repaired, the coverage shall also apply to the return shipment of the Goods.

13. Transfer of Risk and Ownership

- a. The ownership and risk of the Goods shall pass to IBG at the moment the Goods are actually brought under the control of IBG, have been approved by IBG and, if necessary, assembled or installed, irrespective of any stipulation to the contrary.
- b. In the event that IBG furnishes materials to the Supplier, such as raw materials, auxiliary materials, drawings, specifications and software for the purpose of performing its obligations, these materials shall remain the property of IBG. The Supplier shall keep these separate from objects belonging to it or to third parties. The Supplier shall mark them as property of IBG.
- c. The moment that materials such as raw materials, auxiliary materials, tools, drawings, specifications and software, of IBG have been processed into the Supplier's Goods, a new good shall have been created which is the property of IBG. This shall apply, notwithstanding Clause 13.a.

14. Secrecy and Prohibition on Disclosure

- a. The Supplier shall keep the existence, the nature and the contents of the Contract, as well as other business information relating to IBG, secret and not disclose anything about it without prior written permission from IBG.
- b. In the event of violation of the stipulations of the preceding paragraph, the Supplier shall owe IBG an immediately due and payable penalty of €2.500 for each violation and, if the violation can be remedied, EUR 1.000 per day or part of a day on which the violation continues. The foregoing penalty is without prejudice to IBG's other rights (such as to claim, damages and to rescind the Contract).

15. Inspection

- a. IBG shall be entitled at any time to inspect all Goods, or have them inspected, during their production, processing and storage as well as after delivery.
- b. Immediately upon request, the Supplier shall provide access to IBG or its agent to the site of production, processing or storage. The supplier shall render its cooperation in the inspection free of charge.
- c. If an inspection within the meaning of this Clause cannot take place at the intended time, or if an inspection must be repeated, the costs incurred shall be payable by the Supplier.
- d. In the event of rejection of the Goods delivered, the Supplier shall see to it that those Goods are repaired or replaced within 5 business days. If the supplier fails to fulfil this obligation within the period stipulated in this Clause, IBG shall be entitled to purchase the required Goods from a third party, or to take measures (or have them taken) at the Supplier's expense and risk, without prejudice to its right to claim compensation of the costs, damage and interest.
- e. If the Supplier does not collect the rejected Goods within 5 business days, IBG shall be entitled to return the Goods to the Supplier at the latter's expense and risk.
- f. Contrary in part to what is stipulated in this Clause, the Goods intended for resale shall not be accepted until they have been received and inspected at the place of use. Therefore, in these cases, inspection by IBG before or after Delivery to its address shall not be binding on IBG.

16. Packaging

- a. IBG shall be entitled at any time to return the (transportation) packaging materials at the Supplier's expense and risk.
- b. The Supplier shall be responsible for the processing/ destruction of (transportation) packaging materials. If packaging materials are processed or destroyed at the Supplier's request, this shall always be at the expense and risk of the Supplier.
- c. All Goods, or parts thereof, which are susceptible to oxidation must be provided with a protective layer, so that they will be resistant to oxidation. Movable parts and suchlike must be properly fastened, or otherwise protected against the dangers of their transportation. Instructions (in Dutch) must accompany such Goods, stating how to remove the protective layer or how the parts that are fastened or otherwise protected must be unpacked, removed and attached to the whole of which they are a part.

17. Rescission

- a. In the event of a breach of contract by the Supplier, as well as under circumstances including: its bankruptcy, insolvency, moratorium on payment, stopping of its business, revocation of any permits, attachment of (part of) its business property or of Goods intended for the performance of the Contract, liquidation of the company, takeover of (part of) the company or any comparable circumstances of the Supplier's company, IBG shall be entitled to rescind the Agreement without any (further) notice of default being required.
- b. Without prejudice to any other rights, IBG shall be entitled to rescind the Contract wholly or in part if the Supplier or one of its subordinates or agents offers or provides, now or in the future, any benefit to any person who is part of IBG's company, or to one of its subordinates or agents.

18. Order, Safety and Environment

The Supplier and its employees, as well as third parties engaged by it shall obey statutory safety, health and environmental regulations. The Supplier and its employees shall comply with any company rules and regulations of IBG in the area of safety, health and environment. The Supplier and its employees, as well as any third parties engaged by it, shall be deemed to be familiar with these rules prior to the commencement of the work.

19. Disputes

- a. Disputes between the Parties, including those only considered to be such by one party, shall be resolved amicably to the extent possible.
- b. If the Parties are unable to reach a solution, the disputes shall be settled by the competent court in the district in which IBG's company is located, nevertheless, IBG retains the right to summon the Supplier before the competent court in the Supplier's domicile.

20. Applicable Law

The Contract, of which these Terms and Conditions of Purchase are an integral part, shall be governed and construed in accordance with Netherlands law, with the exclusion of the Vienna Sales Convention.

21. Deviations

In the event that any provision of these Terms and Conditions should prove to be legally invalid, a provision shall be substituted which is closest to its object. The nullity of any provision of these terms and conditions shall not affect the validity of the other provisions.

Amsterdam, April 2019

