

DutchForm Terms and Conditions

General Terms and Conditions issued by Koninklijke Metaalunie (the Dutch organization for small and medium-sized enterprises in the metal industry) for use by the DutchForm referred to as the DutchForm Terms and Conditions.

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Issued by Koninklijke Metaalunie, P.O. Box 2600, 3430 GA Nieuwegein, the Netherlands. ©Koninklijke Metaalunie

Article 1: Applicability

- 1.1. These Terms and Conditions apply to all offers made by members of the MDI, the DutchForm or the NVvM (MDI, DutchForm or NVvM Members), all agreements they conclude and all agreements that may result therefrom, all this in so far as the MDI or NVvM Member is offeror or supplier.
- 1.2. An MDI, DutchForm or NVvM Member using these Terms and Conditions is referred to as the Contractor. The other party is referred to as the Client.
- 1.3. In the event of any conflict between the substance of the agreement concluded between the Contractor and the Client and these Terms and Conditions, the provisions of the agreement will prevail.
- 1.4. These Terms and Conditions may only be used by MDI, DutchForm and NVvM Members.

Article 2: Offers

- 2.1. All offers are without obligation.
- 2.2. If the Client provides the Contractor with data, drawings and the like, the Contractor may rely on their accuracy and completeness and will base its offer on the same.
- 2.3. The prices stated in the offer are based on delivery ex works, Contractor's place of establishment, in accordance with the Incoterms 2010. Prices are exclusive of VAT and packaging.
- 2.4. If the Client does not accept the Contractor's offer, the Contractor is entitled to charge the Client for all costs incurred by the Contractor in making the offer to the Client.

Article 3: Intellectual property rights

- 3.1. Unless otherwise agreed in writing, the Contractor retains the copyright and all industrial property rights in the offers made by it and in the designs, pictures, drawings, models (including trial models), software and the like provided by it.
- 3.2. The rights in the data referred to in paragraph 1 of this article will remain the property of the Contractor irrespective of whether the costs of their production have been charged to the Client. These data may not be copied, used or shown to third parties without the Contractor's prior express written consent. The Client will owe the Contractor an immediately payable penalty of € 25,000.00 for each breach of this provision. This penalty may be claimed in addition to damages pursuant to the law.
- 3.3. On the Contractor's first demand, the Client must return the data provided to it as referred to in paragraph 1 of this article within the time limit set by the Contractor. Upon breach of this provision, the Client will owe the Contractor an immediately payable penalty of € 1,000.00 per day. This penalty may be claimed in addition to damages pursuant to the law.

Article 4: Advice and information provided

- 4.1. The Client cannot derive any rights from advice or information it obtains from the Contractor if this does not relate to the assignment.
- 4.2. If the Client provides the Contractor with data, drawings and the like, the Contractor may rely on their accuracy and completeness in the performance of the agreement.
- 4.3. The Client indemnifies the Contractor from and against all liability to third parties relating to use of the advice, drawings, calculations, designs, materials, samples, models and the like provided by or on behalf of the Client.

Article 5: Delivery period / performance period

- 5.1. The delivery period and/or performance period will be set by the Contractor on an approximate basis.
- 5.2. In setting the delivery period and/or performance period, the Contractor will assume that it will be able to perform the assignment under the conditions known to it at that time.
- 5.3. The delivery period and/or performance period will only commence once agreement has been reached on all commercial and technical details, all necessary data, final and approved drawings and the like are in the Contractor's possession, the agreed payment or instalment has been received and the necessary conditions for performance of the assignment have been satisfied.
- 5.4.
 - a. In the event of circumstances that differ from those that were known to the Contractor when it set the delivery period and/or performance period, it may extend the delivery period and/or performance period by such period as it needs to perform the assignment under such circumstances. If the work cannot be incorporated into the Contractor's schedule, it will be performed as soon as the Contractor's schedule so permits.

- b. In the event of any contract addition, the delivery period and/or performance period will be extended by such period as the Contractor needs to (cause to) supply the materials and parts for such work and to perform the contract addition. If the contract addition cannot be incorporated into the Contractor's schedule, the work will be performed as soon as the Contractor's schedule so permits.
 - c. If the Contractor suspends its obligations, the delivery period and/or performance period will be extended by the duration of the suspension. If the continuation of the work cannot be incorporated into the Contractor's schedule, the work will be performed as soon as the Contractor's schedule so permits.
 - d. In the event of inclement weather, the delivery period and/or performance period will be extended by the resulting delay.
- 5.5. The Client is required to pay all costs incurred by the Contractor as a result of delay affecting the delivery period and/or performance period as referred to in paragraph 4 of this article.
 - 5.6. If the delivery period and/or performance period is/are exceeded, this will in no event entitle to damages or termination.

Article 6: Transfer of risk

- 6.1. Delivery will be made ex works, Contractor's place of establishment, in accordance with the Incoterms 2010. The risk attached to the good passes to the Client at the time the Contractor makes the good available to the Client, even in the event that the Contractor installs or assembles the good to be delivered.
- 6.2. Notwithstanding the provisions in paragraph 1 of this article, the Client and Contractor may agree that the Contractor will arrange for transport. In that event, the risk of storage, loading, transport and unloading will be borne by the Client. The Client may insure itself against these risks.
- 6.3. In the event of a purchase in which a good is exchanged (inruil) and the Client retains the good to be exchanged pending delivery of the new good, the risk attached to the good to be exchanged remains with the Client until it has placed this good in the possession of the Contractor. If the Client cannot deliver the good to be exchanged in the condition that it was in when the agreement was concluded, the Contractor may terminate the agreement.
- 6.4. If the goods are transported at the expense and risk of the Client, the Contractor is not liable for any damage or defects that can be discovered on arrival and that are not entered in the delivery note to be returned.

Article 7: Price change

- 7.1. Prior to full completion of the performance of the agreement, the Contractor may pass on to the Client any increase in costing factors occurring more than four months after conclusion of the agreement.
- 7.2. The Client will be obliged to pay the price increase as referred to in paragraph 1 of this article on any of the occasions below, such at the discretion of the Contractor:
 - a. upon the occurrence of the price increase;
 - b. at the same time as payment of the principal sum;
 - c. on the next agreed payment deadline.

Article 8: Force majeure

- 8.1. The Contractor is entitled to suspend performance of its obligations if it is temporarily prevented from performing its contractual obligations to the Client due to force majeure.
- 8.2. Force majeure is understood to mean, inter alia, the circumstance of failure by suppliers, the Contractor's subcontractors or transport companies engaged by the Contractor to perform their obligations or perform them in good time, weather conditions, earthquakes, fire, power failure, loss, theft or destruction of tools or materials, road blocks, strikes or work stoppages and import or trade restrictions.
- 8.3. If the Contractor's temporary inability to perform lasts for more than six months, it will no longer be entitled to suspend performance. On expiry of this deadline, the Client and the Contractor may terminate the agreement with immediate effect, but only as regards such part of the obligations that has not yet been performed.
- 8.4. In the event of force majeure where performance is or becomes permanently impossible, both parties are entitled to terminate the agreement with immediate effect as regards such part of the obligations that has not yet been performed.
- 8.5. The parties will not be entitled to compensation for damage suffered or to be suffered as a result of suspension or termination as referred to in this article.

Article 9: Scope of the work

- 9.1. The Client must ensure that all licences, exemptions and other administrative decisions necessary to carry out the work are obtained in good time. The Client is required upon the Contractor's first demand to send the Contractor a copy of the documents mentioned above.
- 9.2. The price of the work does not include:
 - a. the costs of earthwork, pile driving, cutting, breaking, foundation work, cementing, carpentry, plastering, painting, wallpapering, repair work or other construction work;
 - b. the costs of connecting gas, water, compressed air, electricity or other infrastructural facilities;
 - c. the costs of preventing or limiting damage to any goods present on or near the work site;
 - d. the costs of removal of materials, building materials or waste;
 - e. travel and accommodation expenses;
 - f. assistance in moving those parts that are not to be dealt with by the Contractor itself and the costs of equipment needed for this purpose; additional costs that arise as a result of an inability to perform the work during the Contractor's normal working hours.
- 9.3. Any materials that may be released when the goods to be delivered are tested will be removed by the Client at the Client's expense.

Article 10: Changes to the work

- 10.1. Changes to the work will in any event result in contract variations work if:
 - a. the design, specifications or contract documents are changed;
 - b. the information provided by the Client is not factually accurate;
 - c. quantities diverge by more than 10% from the estimates.
- 10.2. Contract additions will be charged on the basis of the pricing factors applicable at the time the contract addition is performed. Contract deductions will be charged on the basis of the pricing factors applicable at the time the agreement was concluded.
- 10.3. The Client will be obliged to pay the price of the contract addition as referred to in paragraph 1 of this article on any of the occasions below, such at the discretion of the Contractor:
 - a. when the contract addition arises;
 - b. at the same time as payment of the principal sum;
 - c. on the next agreed payment deadline.
- 10.4. If the sum of the contract deduction exceeds that of the contract addition, in the final settlement the Contractor may charge the Client 25% of the difference. This provision does not apply to contract deductions that result from a request by the Contractor.

Article 11: Performance of the work

- 11.1. The Client will ensure that the Contractor can carry out its activities without interruption and at the agreed time and that the requisite facilities are made available to it when carrying out its activities, such as:
 - a. gas, water, compressed air and electricity;
 - b. heating;
 - c. lockable and dry storage space;
 - d. facilities required pursuant to the Working Conditions Act and Working Conditions Regulations;
 - e. staff and materials to be made available by the Client.
- 11.2. The Client bears the risk of and is liable for any damage connected with loss, theft, burning and damage to goods belonging to the Contractor, the Client and third parties, such as tools, materials intended for the work or material used in the work, that are located on the work site or at another agreed location.
- 11.3. As regards installation work, including test spraying, test stamping and service or maintenance work, the Contractor will confine itself to assembling the material that is to be delivered by it.
- 11.4. If the Contractor cannot perform installation, service or maintenance work regularly and without interruption due to circumstances that cannot be attributed to it, it is entitled to charge the Client for additional costs arising therefrom.
- 11.5. The Client is obliged to adequately insure itself against the risks referred to in paragraph 2 of this article. In addition, the Client must procure insurance of work-related damage as regards the material to be used. Upon the Contractor first demand, the Client must send it a copy of the relevant insurance policy/policies and proof of payment of the premium. In the event of any damage, the Client is required to report this to its

- insurer without delay for further processing and settlement.
- 11.6. If the Client fails to perform its obligations as described in the previous paragraphs and this results in delayed performance of the activities, the activities will be carried out as soon as the Client performs its obligations as yet and the Contractor's schedule so permits. The Client is liable for all damage suffered by the Contractor as a result of the delay.

Article 12: Completion of the work

- 12.1. The work is deemed to be completed in the following events:
- when the Client has approved the work;
 - when the work has been taken into commission by the Client. If the Client takes part of the work into commission, that part will be deemed to be completed;
 - if the Contractor notifies the Client in writing that the work has been completed and the Client does not inform it in writing as to whether or not the work is approved within 14 days of such notification having been made;
 - if the Client does not approve the work due to minor defects or missing parts that can be rectified or subsequently delivered within 30 days and that do not prevent the work from being taken into commission.
- 12.2. If the Client does not approve the work, it is required to inform the Contractor of this in writing, stating reasons. The Client must provide the Contractor with the opportunity to complete the work as yet.
- 12.3. The Client indemnifies the Contractor from and against any claims by third parties for damage to non-completed parts of the work caused by use of parts of the work that have already been completed.

Article 13: Liability

- 13.1. In the event of an attributable failure, the Contractor is obliged to perform its contractual obligations as yet.
- 13.2. The Contractor's obligation to pay damages, irrespective of the legal basis, is limited to damage for which the Contractor is insured under an insurance policy taken out by it or on its behalf, but will never exceed the amount paid out under this insurance in the relevant case.
- 13.3. If, for any reason whatsoever, the Contractor cannot invoke the limitation in paragraph 2 of this article, the obligation to pay damages will be limited to a maximum of 15% of the total assignment amount (excluding VAT). If the agreement comprises parts or partial deliveries, the obligation to pay damages is limited to a maximum of 15% (excluding VAT) of the assignment amount of that part or that partial delivery.
- 13.4. The following do not qualify for compensation:
- consequential loss. Consequential loss is understood to include business interruption loss, production loss, loss of profit, transport costs and travel and accommodation expenses. The Client may insure itself against this damage if possible;
 - damage to goods in or under its care, custody or control. Such damage includes damage caused as a result of or during the performance of the work to goods on which work is being performed or to goods situated in the vicinity of the work site. The Client may insure itself against such damage if it so desires;
 - damage caused by the intent or wilful recklessness of agents or non-management employees of the Contractor.
- 13.5. The Contractor is not liable for damage to material provided by or on behalf of the Client where that damage is the result of improper processing.
- 13.6. As regards measurements, shrinkage rates, drafts and machining allowances, the tolerances indicated by the Client apply; if such tolerances have not been provided, the Contractor's customary tolerances will apply. In either case, the Contractor accepts no liability whatsoever in this regard.
- 13.7. The Client indemnifies the Contractor from and against all claims by third parties on account of product liability as a result of a defect in a product supplied by the Client to a third party and that consisted, entirely or partially, of products and/or materials supplied by the Contractor. The Client is obliged to compensate all damage suffered by the Contractor in this respect, including the full costs of defence.

Article 14: Warranty and other claims

- 14.1. Unless otherwise agreed in writing, the Contractor warrants the proper execution of the agreed performance for a period of one month after delivery/completion. In the event that a different warranty period is agreed, the other paragraphs of this article are also applicable.
- 14.2. If the agreed performance was not properly executed, the Contractor will decide whether to properly execute it as yet or to credit the Client for a proportionate part of the invoice amount. If the Contractor chooses to properly execute the performance as yet, it will determine the manner and time of execution itself. If the agreed performance consisted (entirely or partially) of the processing of material provided by the Client, the Client must provide new material at its own risk and expense.

- 14.3. Parts or materials that are repaired or replaced by the Contractor must be sent to the Contractor by the Client.
- 14.4. The Client bears the expense of:
- all costs of transport or dispatch;
 - costs of disassembly and assembly;
 - travel and accommodation expenses.
- 14.5. The Client must in all cases offer the Contractor the opportunity to remedy any defect or to perform the processing again.
- 14.6. The Client may only invoke the warranty once it has satisfied all its obligations to the Contractor.
- 14.7. a. No warranty is given if the defects result from:
- normal wear and tear;
 - improper use;
 - lack of maintenance or improper maintenance;
 - installation, fitting, modification or repair by the Client or third parties;
 - defects in or unsuitability of goods originating from, or prescribed by, the Client;
 - defects in or unsuitability of materials or auxiliary materials used by the Client.
- b. No warranty is given in respect of:
- goods supplied that were not new at the time of delivery;
 - the inspection and repair of goods of the Client;
 - parts for which a manufacturer's warranty has been provided.
- 14.8. The provisions of paragraphs 2 to 7 of this article apply mutatis mutandis to any claims by the Client based on breach of contract, non-conformity or on any other basis whatsoever.
- 14.9. After expiry of the warranty period, the Client can no longer hold the Contractor liable for any defect or shortcoming in its performance.
- 14.10. The Client cannot assign any rights under this article.

Article 15: Obligation to complain

- 15.1. Immediately upon delivery/completion, the Client must inspect the goods to be delivered or work to be completed for visible defects or shortcomings. If any visible defects or shortcomings are discovered, the Client must inform the Contractor of such immediately, failing which the Client can no longer invoke these defects or shortcomings.
- 15.2. The Client can no longer invoke defects or shortcomings that are not immediately visible on delivery or completion if it does not make a written complaint to the Contractor in respect thereof within fourteen days of the date it discovered, or should reasonably have discovered, the defect.
- 15.3. On pain of forfeiture of all rights, the Client must submit complaints regarding the amount invoiced to the Contractor in writing within the payment deadline. If the payment deadline is longer than thirty days, the Client must complain no later than thirty days after the date of the invoice.

Article 16: Failure to take delivery of goods

- 16.1. Upon expiry of the delivery period and/or performance period, the Client is obliged to take delivery of the good or goods forming the subject of the agreement.
- 16.2. The Client must lend all cooperation that can be reasonably expected from it to enable the Contractor to make the delivery.
- 16.3. If the Client does not take delivery of goods, such goods will be stored at the risk and expense of the Client.
- 16.4. Upon breach of the provisions in paragraphs 1 and/or 2 of this article, the Client will owe the Contractor a penalty of € 250.00 per day, to a maximum of € 25,000.00. This penalty may be claimed in addition to damages pursuant to the law.

Article 17: Payment

- 17.1. Payment will be made at the Contractor's place of establishment or to an account to be designated by the Contractor.
- 17.2. Unless agreed otherwise, payment will be made as follows:
- in cash where sale is at the service desk;
 - in the case of payments in instalments:
 - 40% of the total price upon assignment;
 - 50% of the total price after supply of the material or, if delivery of the material is not included in the assignment, after commencement of the work;
 - 10% of the total price upon completion;
 - in all other cases, within thirty days of the date of the invoice.
- 17.3. If the Client fails to comply with its payment obligation, instead of paying the sum of money agreed it will be obliged to comply with a request by the Contractor for payment in kind (inbetaling).
17.4. The right of the Client to set off or suspend amounts it is owed by the Contractor is excluded, save in the event of the Contractor's bankruptcy or if statutory debt rescheduling applies to the Contractor.
17.5. Irrespective of whether the Contractor has fully executed the agreed performance, everything that is or will be owed to it by the Client under the agreement is immediately due and payable if:
- a deadline for payment has been exceeded;
 - an application has been made for the Client's bankruptcy or suspension of payments;
 - attachment is levied on the Client's goods or claims;

- the Client (a company) is dissolved or wound up;
 - the Client (a natural person) requests to be admitted to statutory debt rescheduling, is placed under guardianship or dies.
- 17.6. If payment is not made within the agreed payment deadline, the Client will immediately owe interest to the Contractor. The interest rate is 12% per annum, but is equal to the statutory interest rate if the latter rate is higher. When calculating interest, part of a month is regarded as a whole month.
- 17.7. The Contractor is authorised to set off its debts to the Client with amounts owed by the Client to companies affiliated with the Contractor. In addition, the Contractor is authorised to set off amounts owed to it by the Client with debts to the Client of companies affiliated with the Contractor. Further, the Contractor is authorised to set off its debts to the Client with amounts owed to the Contractor by companies affiliated with the Client. Affiliated companies are understood to mean the companies belonging to the same group, within the meaning of Article 2:24b Dutch Civil Code, and participating interests within the meaning of Article 2:24c Dutch Civil Code.
- 17.8. If payment is not made within the agreed payment deadline, the Client will owe the Contractor all extrajudicial costs, with a minimum of € 75.00. These costs will be calculated on the basis of the following table (principal sum plus interest):
- | Amount | Interest Rate |
|--------------------------------------------|---------------|
| on the first € 3,000.00 | 15% |
| on any additional amount up to € 6,000.00 | 10% |
| on any additional amount up to € 15,000.00 | 8% |
| on any additional amount up to € 60,000.00 | 5% |
| on any additional amount from € 60,000.00 | 3% |
- The extrajudicial costs actually incurred will be owed if these are higher than they would be according to the above calculation.
- 17.9. If judgment is rendered in favour of the Contractor in legal proceedings, all costs that it has incurred in relation to these proceedings will be borne by the Client.

Article 18: Security

- 18.1. Irrespective of the agreed payment conditions, upon the first demand of the Contractor the Client is obliged to provide such security for payment as the Contractor deems sufficient. If the Client does not comply with such demand within the period set, it will immediately be in default. In that event, the Contractor is entitled to terminate the agreement and to recover its damage from the Client.
- 18.2. The Contractor will retain ownership of any goods delivered as long as the Client:
- fails or will fail in the performance of its obligations under this agreement or other agreements;
 - has not paid debts that have arisen due to non-performance of the aforementioned agreements, such as damage, penalties, interest and costs.
- 18.3. As long as the goods delivered are subject to retention of title, the Client may not encumber or alienate the same other than in the ordinary course of its business and it is required to mark the goods as the Contractor's property.
- 18.4. Once the Contractor has invoked its retention of title, it may take possession of the goods delivered. The Client will lend its full cooperation to this end.
- 18.5. The Contractor has a right of pledge and a right of retention in respect of all goods that are or will be held by it for any reason whatsoever and for all claims it has or might acquire against the Client in respect of anyone seeking their surrender.
- 18.6. The Client is required to insure and keep insured the goods delivered under retention of title against loss or damage and to transfer all of the Client's insurance claims regarding these goods to the Contractor.
- 18.7. If, after the goods have been delivered to the Client by the Contractor in accordance with the agreement, the Client has met its obligations, the retention of title will be revived with regard to such goods if the Client does not meet its obligations under any agreement subsequently concluded.

Article 19: Termination of the Agreement

If the Client wishes to terminate the agreement without the Contractor being in default, and the Contractor agrees to this, the agreement will be terminated by mutual consent. In that case, the Contractor is entitled to compensation for all financial loss, such as loss suffered, loss of profit and costs incurred.

Article 20: Applicable law and competent court

- 20.1. Dutch law applies.
- 20.2. The Vienna Sales Convention (C.I.S.G.) does not apply, nor do any other international regulations the exclusion of which is permitted.
- 20.3. Disputes will be heard exclusively by the Dutch civil court with jurisdiction over the Contractor's place of establishment, unless this is contrary to mandatory law. The Contractor may deviate from this rule of jurisdiction and apply the statutory rules of jurisdiction.