

PROFERRO GENERAL CONDITIONS OF SALE AND DELIVERY

1. General provisions

These general conditions of sale and delivery (**Conditions**) apply to the supply of goods and the performance of services by PROFERRO NV (**PROFERRO**). By requesting fee quotes or placing orders with PROFERRO, a company (the **Buyer**) agrees that these Conditions apply and that its own general purchase conditions do not apply.

2. Quotes, price, invoicing & payment

1. PROFERRO's quotes and price offers are non-binding and based on the current values of wages and the currently applicable purchase, production and material prices. In case of changes, PROFERRO has the right to proportionally change the prices before acceptance of the purchase order (**PO**).

2. Prices are inclusive of all costs, charges, levies and taxes (except VAT).

3. All orders accepted by our agents are only binding following written order confirmation by PROFERRO.

4. When PROFERRO accepts the Buyer's PO, a binding contract (**Contract**) is formed.

5. All invoices are payable at the registered offices of PROFERRO within thirty (30) days from the end of the month following the date of invoice.

In case of non-payment within 30 days of the receipt of the invoice or of the delivery, interest will be added to the balance owed automatically and as of law to the amount of the reference interest rate of the European Central Bank, increased by 7 points and rounded to the higher half per cent. Also as of law and without requiring any prior notice of default, as well as by way of fixed damages, an amount will be owed to the amount of 15% to the invoice amount with a minimum of € 125. In case of non-payment, the debtor will owe all extra-judicial collection charges that PROFERRO was forced to incur to collect the invoice. In case of non-payment or in the absence of full payment, PROFERRO retains the right to suspend any further deliveries of goods or services. PROFERRO also reserves the right to terminate all Contracts, without court intervention and without prior notice of default either in its entirety or in respect of the part not yet performed.

Any protest against invoices must be made in writing within eight days of the invoice date. The protest should mention the date and number of the invoice.

Under no circumstances may contractual payments be delayed or withheld because of complaints.

3. Modalities of supply

1. Delivery is made ExWorks unless another INCOTERM 2010 is agreed upon.

2. By placing an order under INCOTERMS 2010 Ex Works and/or FCA, the Buyer gives PROFERRO a mandate to sign CMR transport documents on behalf of the Buyer ('consignor').

3. Delivery dates are offered for your information only and are not binding. Under no circumstances can a delay in delivery give entitlement to compensation or dissolution of any Contract.

4. All risks are transferred to the Buyer at the time of delivery of the goods, and, for services, at the time of their provisional acceptance by the Buyer. PROFERRO retains proprietary rights to all goods supplied until the Buyer has paid the price in full (including interest and costs). Until then the Buyer bears the risk of loss, damage or destruction of the goods. The Buyer will insure all goods supplied for the Contract price against all risks, including fire, war, strikes, riots and civil commotion. In case of resale, PROFERRO is entitled to claim the sum that corresponds with the value of the resold goods.

4. Inspection and acceptance

The Buyer will inspect the goods externally for visible defects and/or visible nonconformities upon delivery. Any remarks need to be made in writing to PROFERRO within five (5) working days after delivery. In case no remarks were made within that time frame, the Products are accepted, without prejudice to Clause 5.2.

5. Quality & warranty

1. PROFERRO will supply the ordered goods and/or services in accordance with the agreed specifications, using reasonable care and skill.

2. PROFERRO warrants that for a period of twelve (12) calendar months from date of production at PROFERRO, all goods delivered to the Buyer will be in conformity with and satisfy the agreed specifications and free from defects in material and/or workmanship.

3. PROFERRO makes no other warranties with respect to the goods or services, including any implied warranties regarding non-infringement, merchantability, or fitness for a particular purpose, or any implied warranties arising from a course of performance, a course of dealing, or trade usage.

4. The Buyer's sole remedies against PROFERRO for breach of warranty are, at PROFERRO's option, (i) the replacement or repair of the goods, free of charge, or (ii) providing credit notes for the amount of the purchase price paid by the Buyer. Any replacement or repair will be performed ex-works. PROFERRO becomes again owner of any replaced goods. PROFERRO will be liable for defects in any repaired or replaced goods for a period of six months after delivery.

5. If the parties are unable to agree whether PROFERRO is liable under the warranty, either party may send the good(s) concerned for analysis to an independent laboratory or testing house whose decision on the cause of the damage or defect will be final and binding, except in the case of manifest error. The costs will be borne by the party which is found to be responsible for the damage or defect and, if this cannot be established, the costs will be borne equally by the parties.

6. The Buyer will without undue delay notify PROFERRO in writing of any hidden defect which appears. Such notice cannot be given later than two weeks after expiry of the warranty period.

7. PROFERRO is not liable if a defect is due and/or related to (i) the fact that the delivered goods were not installed, assembled, handled, stored and/or used by the Buyer, its appointed third party and/or the end-users in accordance with the applicable instructions and conditions of operation, applicable laws and regulations and/or standards and requirements that are commonly used in the industry concerned, (ii) incomplete and/or inaccurate information provided by or on behalf of the Buyer, (iii) flaws in plans or any design provided by or on behalf of the Buyer and/or (iv) faulty repair or alterations carried out without PROFERRO's consent in writing.

8. PROFERRO is neither liable if a defect is due and/or related to a defect, hidden or apparent, in workmanship and/or quality, in (i) parts, materials and/or

components ('Components') bought by PROFERRO from third parties and/or (ii) Components supplied by the Buyer or a third party appointed by the Buyer, including if any such Components are integrated by PROFERRO into the final goods delivered. In the event that such defects would occur, PROFERRO will give all reasonable support to the Buyer in finding the manufacturer and/or supplier of the defective Component and in the resolution of the warranty claim and/or any other claims under the applicable law. PROFERRO will assign any warranties on the Components received from the manufacturer or supplier thereof to the Buyer.

9. Under no circumstances is PROFERRO liable on any legal grounds for wage, transportation and customs charges, machine breakdown, operational interruption, loss of production, recall of goods or any damage caused by such goods, cost of business interruption, loss of profits, loss of revenues, loss of goodwill or clients, reputational or moral damages, third party claims or any other form of indirect or consequential loss.

10. The Buyer will indemnify, hold harmless and defend PROFERRO from and against any liability and third party claims for damages, interests, penalties, legal costs and lawyers' fees that may result from a defect or another occurrence for which PROFERRO is not liable pursuant to this Clause 5, the infringement of the intellectual property rights and/or rights in confidential information of third parties.

6. Intellectual property rights

All intellectual property rights in the goods delivered and/or arising out of or in connection with the services will be owned by PROFERRO.

7. Force majeure

The parties will not be in breach or liable for delay in performing or failure to perform the Contract if such a delay or failure results from an event beyond its reasonable control, including but not limited to the non-delivery or late delivery by (sub-)suppliers, labour disputes, declared or undeclared war, fire, mobilisation, requisition, embargo, insurrection, lack of means of transportation, general lack of raw materials and supplies, production standstills and restrictions of use of energy.

8. Insurance

PROFERRO will maintain insurance with a reputable insurance company to adequately cover the liabilities that may arise under or in connection with the Contract.

9. Termination

Without limiting its other rights or remedies, PROFERRO can terminate a Contract with immediate effect and without any compensation: (i) if the Buyer commits a material breach of the Contract and fails to remedy that breach within 10 days of the receipt of a written notice to do so; (ii) if the Buyer suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due; (iii) if a petition in bankruptcy or any other proceeding relating to insolvency, receivership or liquidation is filed; (iv) if the Buyer suspends or ceases, or threatens to suspend or cease, all or a substantial part of its business; or (v) in the event of a change of control (within the meaning of Article 5 of the Belgian Company Code), a take-over, merger or scission.

10. Overstock

If the Buyer decides to discontinue the purchase of any goods, the Buyer will compensate PROFERRO for the overstock of any such goods that are finished, or that are work in progress and about to be finished within a forecasted time-frame of two (2) months following the Buyer's decision to discontinue the goods. Beyond this two (2) month time-frame, the Buyer's liability to compensate for overstock will be limited to those parts and components that are purchased by PROFERRO specifically for the Buyer and that cannot be used for other customers.

11. Modifications of Contract

Any modifications and/or amendments to the Contract terms are only valid subject to the prior, written approval of both parties.

12. Non Transferability of the Contract

The Buyer may not transfer his rights and/or obligations under this Contract to a third party without express previous written consent by PROFERRO.

13. Validity

Should one or more stipulations of the Contract prove to be or become invalid, this will not affect the validity of the remaining stipulations.

14. Enforceable law and disputes

All Contracts will be governed by and construed in accordance with the laws of Belgium, excluding the conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods (CISG). The courts of Ypres, Belgium, will have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with any Contract.

Version September 2018