

General Terms and Conditions of Delivery

ALT Technologies bv

Article 1. Definitions

In these General Terms and Conditions of Delivery ("Conditions"):

- a. **ALT** shall mean: ALT Technologies bv, whose registered office and place of business is in Utrecht (Chamber of Commerce registration number: 30182868), the Netherlands;
- b. **Customer** shall mean: the individual or body corporate at the instructions of whom ALT makes a product against payment of a certain price by the former;
- c. **Supplier** shall mean: the individual or body corporate who supplies goods and/or services to ALT against payment of a certain price by ALT;
- d. **Offer** shall mean: a written offer by ALT to enter into a contract, including all attachments to the Offer;
- e. **Tools** shall mean: equipment, moulds, die-cutters/punch-mates, etcetera, specifically created by ALT/the Customer for the purpose of manufacturing the product.

Article 2. General

1. These Conditions shall apply to all contracts made between ALT and the Customer. The Customer's general conditions of purchase, if any, shall not apply unless expressly agreed between ALT and the Customer.
2. Variations to these Conditions shall not apply unless expressly acknowledged by ALT in writing.

Article 3. Conclusion of Contracts

1. A contract with ALT shall not be concluded until the Customer unconditionally accepts an Offer submitted by ALT.
2. Acceptance shall be effected by the Customer returning a signed copy of ALT's Offer.
3. The mere quoting or stating of indicative prices or volumes or similar information, whether or not in writing and whether or not incorporated in brochures, advertisements or quoted on ALT's website, shall not constitute an obligation on the part of ALT to enter into a contract with the Customer.
4. Offers by ALT shall be valid for a period of 60 days from the date stated on the Offer.
5. Whenever ALT's fulfilment of its obligations is subject to the approval or provision of information/documents/materials, etcetera, by the Customer, such as drawings, prototypes, etcetera, ALT shall be entitled to suspend the fulfilment of its obligations until receipt of the Customer's express written approval.

Article 4. Minimum Volume Purchase

If the Customer purchases a volume of products that does not comply with the minimum volume negotiated by ALT's Suppliers when purchasing raw materials for the products, the Customer shall be deemed to purchase a volume that corresponds with the minimum volume negotiated.

Article 5. Content of and Alterations to Contracts

1. Alterations to contracts shall not be valid unless agreed and recorded in writing. The same applies by analogy to blanket orders with respect to the agreed minimum/maximum volumes per period.
2. If the standard specifications used by the Customer form part of the contract, it shall be the Customer's responsibility to provide the most recent version of these specifications to ALT.
3. If the Customer makes alterations to the contract, ALT shall be released from its obligation to satisfy any delivery deadline it may have agreed as defined in article 8(5) hereof. Any such alteration may also otherwise constitute a reason for ALT to change the contractual terms.
4. The Customer warrants the accuracy and completeness of the specifications and other information required for the performance of a contract that the Customer or a third party on its behalf are to provide to ALT in time. The Customer shall bear the risk for any misunderstanding regarding the content and performance of a contract caused by mistakes or vagueness in communicating the specifications and other information referred to in the preceding sentence.
5. In the event of alterations to the product to be delivered by ALT and/or ordinary termination of a contract, the Customer must purchase 1 month of stock and 1 month of materials, based on the average volumes of the last three schedules.

Article 6. Prices

1. Unless otherwise provided, all prices quoted by ALT shall be exclusive of VAT and other taxes and charges levied by the authorities.
2. In the event of composite Offers, ALT shall not be required to make partial deliveries at the price quoted for such part in the Offer, nor at a pro rata amount of the aggregate price quoted in the Offer.
3. If ALT and the Customer have not agreed on a price but, instead, have made contracts in the year preceding the contract, under which contracts ALT has delivered similar products, the price shall be calculated on the basis of the method used in those earlier contracts, applying price indexation.
4. ALT shall be entitled to increase the prices agreed at any time on account of changes of the cost of products, such as price changes for materials, labour, services rendered by third parties, or as a result of changes in exchange rates and amendments to legislation by the authorities, unless the cost of products is increased by less than 4%.
5. ALT shall be entitled to increase its prices if the Customer makes alterations to the specifications on which the initial contract was based.
6. If the Customer's order is subject to its approval of a sample delivery produced by ALT as defined in article 9(1) of these Conditions, the final price for the products shall not be determined until such approval has been granted. ALT shall reserve the right to submit an adjusted Offer at that point in time.
7. Any costs incurred on account of the performance of a contract, such as the cost of equipment, including the replacement of Tools (e.g. by wear and tear), product liability and recall insurance, prototypes, research and development, carriage, packaging, etcetera, incurred in the context of a specific contract, shall be borne by the Customer. These costs will be separately listed in the Offer, save for the costs of the replacement of Tools.

Article 7. Invoicing and Payment

1. The Customer must pay the amount invoiced by ALT in full within 30 days from the invoice date. The Customer shall not be entitled to any discount or set-off against amounts receivable from ALT or suspension of payment of the amount due.
2. If ALT has agreed on partial deliveries, ALT shall be entitled to demand payment per delivery and send a partial invoice to the Customer, to which the provisions of paragraph 1 above shall apply by analogy.
3. At ALT's first request, the Customer shall provide security for the payment of any amount payable by the Customer to ALT under a contract. This security shall be of such nature and value that ALT can easily recover the amount from any sum payable by the Customer to ALT under any contract.
4. ALT shall be entitled to suspend the fulfilment of its obligations under a contract made with the Customer until the date of full payment by the Customer of any sum the Customer may owe ALT under a contract made with ALT.
5. If the Customer fails to fulfil its obligations of payment defined in paragraph 1 of this article, the Customer shall be in default, without any notice of default on the part of ALT being required. In that case, the Customer must pay, on top of interest at the statutory rate, additional interest at a rate of 1% a month as well as all judicial and extrajudicial costs of debt collection, at least amounting to 15% of the sum invoiced minimum.

Article 8. Delivery

1. The Incoterms 2000 shall be applicable to all deliveries made by ALT.
2. Unless otherwise agreed, delivery by ALT shall be effected upon possession by the Customer at the address to be stated by ALT where it has its place of business (delivery "ex works").
3. If delivery is effected upon taking possession at the Customer's address, the risk in the products shall pass on to the Customer promptly after the arrival of the products at their destination.
4. At the agreed date, the Customer must collect the products delivered by ALT (if delivered ex works), or, if delivery by ALT at the Customer's address has been agreed upon, take receipt of the products. If the Customer fails to fulfil this obligation, the Customer shall be in default without any notice of default being required. In that case, ALT shall have the right to store the products at the Customer's expense, without prejudice to the Customer's liability for all other loss sustained by ALT.
5. Terms of delivery are merely indicative and are not binding upon ALT, unless the parties have expressly agreed on a deadline delivery date. Even if a deadline delivery date has been agreed, ALT shall not be in default until it has culpably failed to remedy its failure within the term the Customer has granted ALT in writing, this term to be 10 days at least.
6. In the performance of a contract, the Customer shall make all reasonable efforts required for enabling ALT to deliver in time, in particular by promptly replying to any questions ALT may have and by satisfying the requirements set by article 5(4) hereof.
7. If on account of non-performance on the Customer's part ALT is unable to meet a delivery deadline, it shall no longer be binding and the Customer shall be in default without any notice of default being required. In that case, ALT shall have the right to suspend performance of its delivery obligation until the Customer has remedied its failure.

Article 9. Sample Deliveries

1. In the event of sample deliveries, either in the form of prototypes or in the form of printer's proofs or otherwise, the Customer must inspect the same on errors or defects. After this inspection, the Customer shall return the sample delivery to ALT as soon as possible.
2. If the Customer approves the sample delivery, which is done by signing the 'Part Submission Warrant' provided by ALT, the approval shall be considered to constitute acknowledgment of the fact that ALT has performed the contract up to the making of the sample delivery to the Customer's satisfaction.
3. ALT shall not be liable for any errors, mistakes or other defects in sample deliveries revealed after approval has been granted.
4. The costs of sample delivery shall be charged to the Customer separately, unless the Offer expressly states that these costs are considered included in the total contract sum.

Article 10. Retention of Title

1. The title to the products delivered by ALT to the Customer shall not pass on until the Customer has paid all sums payable to ALT in consideration for products delivered or yet to be delivered under any contract with ALT or for work carried out or yet to be carried out for the Customer under such contract, as well as any claims ALT may have on the ground of the Customer's failure to perform those contracts.
2. As long as title has not passed on to the Customer, the Customer warrants that the products in its possession shall be stored in a way making clear that they are the property of ALT, that these shall not be encumbered and be kept in a proper condition, also vis-à-vis third parties.

Article 11. Variations

1. If products delivered vary from the sample delivery, this shall not constitute any defect if they are of minor significance. This shall be the case at any rate if such variations do not or virtually not affect the product's function to the standards of reasonableness.
2. For the purpose of establishing a variation, a typical sample shall be taken from the products delivered.
3. Variations on the part of ALT in the agreed volume per period shall be permitted if such variations do not exceed the following percentages:
 - up to 20,000 items: 10%;
 - over 20,000 items: 5%.
4. Variations in the basic materials, raw materials and semi-finished products used for the manufacturing of the products allowed under the general terms and conditions of the Supplier shall be considered variations of minor significance. These terms and conditions can be inspected at the offices of ALT or be sent to the Customer upon request.

Article 12. Liability

1. If the Customer holds that the products delivered by ALT do not satisfy the contractual requirements, the Customer shall notify ALT accordingly within one month of delivery by means of sending a completed Non Conformity Report to ALT by registered post. This form can be obtained from ALT. In the form, the Customer must state in detail why the products delivered do not satisfy the contract. If the Customer fails to fulfil this requirement, its rights vis-à-vis ALT shall be forfeited on the ground of failure to fulfil its obligations.
2. If the Customer holds that the products delivered by ALT do not satisfy the contractual requirements, the Customer must grant ALT the opportunity to inspect these products.
3. The products that ALT delivered to the Customer shall be considered to satisfy the contractual requirements as soon as the Customer has used or processed them or supplied them to third parties, or if it turns out that the Customer has not kept the products in a proper condition.
4. If it turns out that the products delivered by ALT do not satisfy the contractual requirements, ALT may, at its own discretion, either repair/replace the products or reimburse the purchase price to the Customer. The Customer shall not be entitled to return any products to ALT at its own initiative or suspend payment for the products or refuse to pay them.
5. ALT shall never be liable for any consequential loss sustained by the Customer, including loss of profits, loss of goodwill or third-party loss.
6. ALT shall not be liable for loss on account of delay or any other loss related to the required replacement of the Tools.
7. ALT's liability shall never exceed the amount charged to the Customer for the products ALT delivered in respect of which liability has arisen.
8. The customer only has the right to return with written permission of ALT. The claim period must not exceed 10 days.

Article 13. Force Majeure

1. If ALT fails to fulfil its obligations on account of force majeure, ALT shall not be liable for any resulting loss. Force majeure shall include but not be limited to: Acts of God, war, riots, strikes, lock-outs, fire, explosion, shortage of raw materials, machine breakdown, disruption in the supply of power or carriage services, governmental measures and late or non-performance by ALT's Suppliers.
2. If on account of a situation of force majeure ALT (temporarily) cannot fulfil its obligations, ALT shall be entitled to either terminate its contract with the Customer or to suspend the fulfilment of its obligations.

Article 14. Intellectual Property Rights

1. The Customer warrants to ALT that the performance of a contract does not infringe any intellectual property rights that third parties may have. The Customer indemnifies ALT for all loss resulting from such infringement, if any. ALT shall promptly notify the Customer of any claims for damages with respect to the loss referred to in the preceding sentence.
2. If there is any doubt about the legal validity of a claim referred to in the preceding paragraph, ALT shall be entitled but not required to suspend performance of the contract until a court ruling that is not open to appeal shows that ALT does not commit infringement by performing the contract. Subsequently, ALT will yet perform the contract within a reasonable term.
3. Unless expressly agreed otherwise in writing, ALT shall always be the proprietor of any intellectual property rights that may arise from the performance of a contract. This shall also apply if ALT, prior to concluding any contract with the Customer, is the (co-)designer of the product which the Customer wishes ALT to manufacture.
4. The Customer shall not be permitted to copy either the products to be manufactured by ALT or the designs, templates, drawings and sample deliveries or other information essential to (the manufacture of) the products on which the products are based without the prior written approval of ALT, even if no intellectual property rights ensued from these at the time.
5. If the products have been delivered to the Customer, the latter shall be granted a non-exclusive right of use as defined in the Dutch 1912 Copyrights Act (*Auteurswet*) in the products made by ALT. Such right of use is restricted to the normal use of the products and explicitly does not include the right to reproduce the products.

Article 15. Ownership of Materials used

All materials used to manufacture the products, such as equipment, Tools, printing plates, rolls, moulds and the like, which either or not carry the (brand) name or the logo of the Customer, shall remain the property of ALT, even if they have been separately listed in the Offer.

Article 16. Termination and Dissolution

1. The Customer shall be entitled to give notice of termination of a contract by means of registered letter before ALT has commenced the performance of the contract, provided that the Customer compensates any loss that ALT sustains on account of non-performance by the Customer. This loss shall include the costs incurred by ALT and the loss of profits sustained by ALT.
2. The costs referred to in paragraph 1 of this article shall include the costs of scheduled production capacity, materials purchased, services rendered by third parties and warehousing expenses.
3. If the Customer fails to fulfil any of its contractual obligations to ALT and if the Customer applies for or is granted suspension of payment, bankruptcy, liquidation or discontinues (part of) its business, ALT shall have the right to dissolve the contract made with the Customer either in part or as a whole, without any judicial intervention being required, or to suspend the (further) performance of any contract made with the Customer.
4. If ALT dissolves the contract with the Customer by virtue of the provisions of paragraph 3 of this article, all sums payable by Customer to ALT shall be immediately payable and ALT shall be released from fulfilling any obligation it may have under the contract.

Article 17. Applicable Law and Forum

1. All contracts made between ALT and the Customer and any disputes that may arise from these, including the status of products under the law of property, shall be governed by Dutch law.
2. All disputes that may arise from a contract or any subsequent contracts shall be resolved in accordance with the Arbitration Rules of the Netherlands Arbitration Institute.
3. The arbitral tribunal shall consist of one arbitrator. The procedure shall be conducted in Utrecht, the Netherlands, in the Dutch language.
4. Without prejudice to the above provisions, the parties may submit any dispute between them to the Judge ruling in preliminary relief proceedings in the District Court in Utrecht, the Netherlands.

Article 18. Enforceability of the Conditions

If any of the provisions of these Conditions prove to be void, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect.