

GENERAL CONDITIONS OF THE PRIVATE COMPANY DRUMARKON INTERNATIONAL B.V., WITH OFFICE AT SCHELLUINEN, CHAMBER OF COMMERCE TIEL NUMBER: 34213991

Definitions.

Article 1.

- 1.1. In these General Conditions, "Client" shall be understood to mean the purchaser, customer and/or any other party doing business with Drumarkon International B.V. (to be referred to hereinafter as "Drumarkon"), or who has established a contract with Drumarkon.
- 1.2. In these General Conditions, "Drumarkon" shall be understood to mean all companies in any way associated with Drumarkon.

Applicability.

Article 2.

- 2.1 These General Sales and Delivery Conditions are applicable to all offers, deliveries, services, work and/or contracts on the part of Drumarkon.
- 2.2 Drumarkon specifically rejects the applicability of general conditions which are declared to be applicable by the Client, unless and for insofar as Drumarkon has specifically and in writing accepted the applicability of such conditions.
- 2.3 These General Conditions are also applicable to all deliveries and work which were carried out by Drumarkon prior to the establishment of a contract.

Offers.

Article 3.

- 3.1 The offers of Drumarkon are non-binding and may be recalled or amended as late as immediately following their acceptance.
- 3.2 Offers are, without prejudice to that specified under 1 of this article, valid for the entire period which is specified in the offer.

Contract.

Article 4.

- 4.1 A contract between parties shall be established in writing, or in such case as Drumarkon shall have commenced execution negotiations.
- 4.2 The administration of Drumarkon holds complete probative value toward client, with the exception of in the case of counter-evidence produced to the contrary by client.
- 4.3 The order confirmation c.q. tender sent by Drumarkon, and in the absence of such the invoice, as well as the (work) drawings prepared by Drumarkon, are binding and are valid as complete evidence, with the exception of in case of possible errors which the client shall have made known in writing within 6 days following shipment date.
- 4.4 Deviating agreements are only binding after such time as Drumarkon shall have confirmed these in writing.
- 4.5 A contract which client shall have established with a representative or employee of Drumarkon shall be valid only in such case and for insofar as such representative or intermediary shall possess a relevant and sufficient written authorization. Such authorizations are available for perusal at the offices of the Chamber of Commerce at Waalwijk.
- 4.6 The minimum order value is 100 Eur. For orders between 100 and 500 Eur a small ordercharge of 35,00 Eur will be applied.

Prices.

Article 5.

- 5.1 With regard to the orders accepted by Drumarkon, the prices and conditions which have been established in writing apply, in the absence of which the prices and conditions valid upon the date of order confirmation shall apply.
- 5.2 Prices are exclusive of VAT, unless specifically agreed, in writing, to the contrary.
- 5.3 Drumarkon retains the right to bill to the customer: price increases, including prices of raw materials, and materials and services from third parties; expense and salary increases, also resultant from government measures; levying or increases in taxes and/or other charges from relevant authorities; such as may occur subsequent to the establishment of the contract, irrespective of whether or not these could have been anticipated.
- 5.4 In such case as, as a result of amendments in the order or conditions of its execution, and/or specific wishes of the customer with regard to the time of delivery and/or the materials to be delivered by Drumarkon, extra expenses including salary costs and/or transport costs, shall be incurred, then these shall be charged to client.

Payment.

Article 6.

- 6.1 All payments must be made within 30 days following invoice date, without deductions or adjustments. Drumarkon withholds the right to agree to other payment terms depending on e.g. customer credibility, order value, credit limit etc.
- 6.2 Drumarkon is at all times authorized to demand cash payment, advance payment and/or guarantees for payments. Prepayment of 40% of the agreed price must at all times take place upon placement of order, unless specifically agreed differently between parties.
- 6.3 Should client not fulfil his obligation to pay or provide guarantee then Drumarkon is authorized, without the need for any advance notice of placement in default, to suspend the execution of its obligations based upon this and any other contracts having been established with client, without prejudice to its further legal authorizations.
- 6.4 Should client not fulfil his obligations to pay then Drumarkon is authorized, without the need for further

- placement in default, to charge the legally applicable interest increased by 1% commencing on the invoice date, in which case a portion of a month shall be considered to equal an entire month.
- 6.5 All costs with regard to the collection of those monies owed but not paid by client are for the expense of the client. Extrajudicial costs shall be fixed at 15% of the amount owed, exclusive of VAT, with a minimum of EUR 150,00.-. These are due and payable as soon as the demand has been forwarded to a third party for collection.

Delivery time.

Article 7.

- 7.1 Specified delivery times shall at no time be viewed as definitive deadlines unless specifically agreed in writing. In the case of delayed delivery, client must therefore place Drumarkon in default in writing.
- 7.2 Delivery schedules commence upon the day as specified in the written contract, or in any case as soon as the data and materials have been provided by client for Drumarkon, the required formalities have been completed, and Drumarkon has received the agreed prepayment.
- 7.3 Client is obligated to present all goods and materials which Drumarkon requires for processing torn, without scratches and clean. Drumarkon may, in such case as client has pretreated these goods and materials insufficiently, carry out or have carried out this work at the expense of the client. Delivery time commences as soon as Drumarkon considers the goods and materials to be suitable for processing.
- 7.4 Should Drumarkon have accepted an obligation to pay fines for nonadherence to delivery schedules then it shall pay to client a fine no greater than 3% of the agreed price of the goods to which the (partial) delivery apply and of which the delivery has been delayed. This amount is payable by Drumarkon only after client has sufficiently demonstrated to Drumarkon that he (client) has suffered damages as a result of said late delivery, and that the transgression is due to negligence on the part of Drumarkon.
- 7.5 In the case of extra deliveries or work at the request of client in addition to the original order, Drumarkon is no longer obligated to adhere to agreed delivery times with regard thereto.

Delivery.

Article 8.

- 8.1 Delivery shall take place to a location agreed upon by parties, c.q. in the absence thereof ex factory from Drumarkon at Schelluinen.
- 8.2 The risk of goods to be delivered transfers to the client immediately following the discharge of the goods ex factory from Drumarkon at Schelluinen. Goods shall be transported at the expense and risk of the client.
- 8.3 Deliveries elsewhere than ex factory Drumarkon at Schelluinen, as well as return shipments, shall take place at the expense and risk of client, unless otherwise agreed in writing.
- 8.4 All goods shall be examined by Drumarkon prior to shipment.
- 8.5 Data and specifications provided by Drumarkon are indicative and valid only for insofar as client meticulously adheres to the instructions and directions of Drumarkon. Client may derive no rights from these data and specifications than those specified in these General Conditions.
- 8.6 Should delivery of goods be refused by client, then the risk of the goods immediately transfers to the client and Drumarkon can demand immediate payment. Drumarkon shall store the goods for a reasonable period of time at the expense and risk of the client, and attempt to sell them. Following sale of goods, an adjustment of the sales price with the expenses incurred by Drumarkon as well as a compensation for storage costs shall be made.
- 8.7 Drumarkon retains the right to alter the nature and the composition of the goods to be delivered by itself, even without notification of such intent to the client, for insofar as the same qualities shall be offered.

Certifications.

Article 9.

- Should an agreement have been made with client that certification is to take place, then such certification shall at all times take place at the Drumarkon factory in accordance with the usual certification methods, procedures and schedules utilized by Drumarkon, unless written instructions concerning other certification methods, procedures and schedules shall have been previously agreed upon, in good time.
- Drumarkon shall inform client in good time when goods are ready for certification. In case of delay as a result of such certification, the delivery schedule shall be extended accordingly.
- If Drumarkon has informed client in good time with regard to the time and place of certification, but client does not respond to such invitation within a reasonable period of time, then the goods shall be considered to have been approved.
- Drumarkon shall be given the opportunity to respond to comments and objections from the client with regard to certification or examination of goods before the client may reject such goods.

Acceptance and claims.

Article 10.

- 10.1 Client is obligated to examine the goods at his own expense at the time of delivery, and to approve or (reject) them. Any claims must be made immediately after such examination, in any case within 8 days following delivery.
- 10.2 The placement of a claim must be confirmed to Drumarkon in writing and with specification of reasons.
- 10.3 Normal deviations in quantities and qualities are not grounds for claim. Quantities and qualities established by Drumarkon are the decisive ones.
- 10.4 In the case of a placement of claim, Drumarkon is obligated solely to supplement or replace any non-delivered or not properly delivered goods.
- 10.5 In such case as transport, in contract to Drumarkon, is carried out by third parties, then the client must place claims in good time consistent with applicable transport conditions, upon penalty of loss of claim rights toward Drumarkon.
- 10.6 Specifications and information provided by Drumarkon with regard to the goods are non-binding and do not release client from his obligation to assess the goods.
- 10.7 The filing of claims does not release client from his obligation to make payments consistent with the invoice(s).
- 10.8 Should client not file a claim in good time, he is considered to have unconditionally accepted the delivered goods c.q. work.
- 10.9 In the case of the utilization and consumption of delivered goods, all liability on the part of Drumarkon shall cease, and client is completely liable for adherence to legal and other specifications from the authorities. Client indemnifies Drumarkon in such case against claims from third parties.
- 10.10 Return shipments shall be accepted by Drumarkon only if Drumarkon has granted specific written permission for such return. Client is obligated to take heed of further instructions from Drumarkon with regard to such return shipments.

Proprietary rights.

Article 11.

- 11.1 As long as the client has not yet completely fulfilled his obligations resulting from the contract at hand, Drumarkon continues to be the owner of all sold and/or delivered goods, during which time said goods shall be maintained at the expense and risk of the client.
- 11.2 Client does not have the right to alienate the goods in any manner, to mortgage them or to pawn them, until such time as the agreed payment to Drumarkon shall have taken place, and only if and for insofar as this concerns the normal activities of the company, in which case client has now already ceded his rights in such case to Drumarkon as security for his claim upon client, and shall upon first request from Drumarkon lend his cooperation with regard to the deed of cession.
- 11.3 In the case of mixing or processing of goods with goods from client or third party, Drumarkon retains and/or obtains the property rights to its portion of the whole of the existing or created goods.
- 11.4 Should client not fulfil his payment obligations, then Drumarkon retains the right, without the requirement of any placement in default, to demand release of its property. Drumarkon and its employees retain the right to acquire actual possession of the delivered goods.
- 11.5 At the request of Drumarkon, client shall immediately provide all information which concerns the goods which are partially or entirely the property of Drumarkon.

Liability.

Article 12.

- 12.1 Drumarkon is not liable for damages based upon the non-, non-timely, or not properly executing of a contract or connected with a contract, and/or agreements otherwise resulting from the law, except and for insofar as client can show that there was a question of intent on the part of Drumarkon.
- 12.2 If and for insofar as Drumarkon is insured with regard to liability, it is only obligated to compensate damages to client up to at the most that amount which the insurer will pay.
- 12.3 Drumarkon is in no case liable for industrial damages and/or consequential damages.
- 12.4 Liability on the part of Drumarkon for damages is specifically limited to the amount of the (partial) invoice value of the delivery.
- 12.5 Drumarkon is at no time liable for damages which are caused indirectly or directly by specifications, instructions, prescribed work methods, specified or available materials or goods from client.
- 12.6 Drumarkon is not liable for damages in such case as client has not, within eight days following his becoming aware of the cause of such damages, made Drumarkon liable for such damages, in writing.
- 12.7 In such case as client carries out procedures or processes - or causes these to be carried out by a third party - including mixing, with goods delivered by Drumarkon, without having received specific written permission from Drumarkon, then Drumarkon is at no time liable for any resultant damages.
- 12.8 Drumarkon is at no time liable for damage(s) and/or fine(s) which may occur as a result of the exporting or having exported of the goods by client or a third party, in particular not in such case as the goods do not fulfil the legal and other standards of the country to which export takes place.
- 12.9 Drumarkon is not liable for damages incurred by defects in the work carried out or by the assembled and delivered goods.

- 12.10 Drumarkon is not liable for damages occurring during the execution of work or by the assembly of delivered goods.
- 12.11 Drumarkon is not liable for damages to or value decreases of objects, or due to theft of objects which are located on the Drumarkon work site or are being transported to or from this work site.
- 12.12 Drumarkon is not liable for damages in such case as the delivered goods do not meet legal or other government or certification agency regulations imposed or applicable.
- 12.13 Drumarkon is not liable for damages caused by client or third parties:
- ◊ in such case as client presents goods or materials in another way or ascribes other characteristics and qualities to them than these prove, during or after processing by Drumarkon, to indeed possess;
 - ◊ in such case as client presents goods delivered and/or stored by Drumarkon, or ascribes other characteristics and/or qualities to them than have been agreed upon with Drumarkon;
 - ◊ in such case as client does not fulfil and/or does not make known to third parties and obligate such third parties to adhere to, the safety regulations, instructions for use, and the warnings which are supplied by the government authorities and/or by Drumarkon along with the goods.
- 12.14 Drumarkon may only be held liable for damages of assembled panels in such case as the client can prove that the panels were never exposed to an air humidity percentage of less than 30%.
- 12.15 Exemption or limitation of liability in this article does not involve the intent of the Drumarkon management.
- 12.16 Machining of materials, which are (partly) supplied by customer, are always for risk of customer. Drumarkon is checking the material physically at receipt. Might the material, after this check, be insufficient (in quantity or quality), then Drumarkon will inform the customer and postpone further machining until written instructions have been received from the customer. Despite that Drumarkon will make a thorough and precise check prior to the machining, not all deficits can be seen in advance. Therefore Drumarkon can not be held liable in case the end product is not correct due to deficits in the provided materials.
- 12.17 For all delivered end-product tolerances apply, as specified by the (original) manufacturer of the (raw) materials (e.g. boards, HPL etc). For all machined end-product by Drumarkon or any subcontractor of Drumarkon, these tolerances apply including the 'machining tolerances' as provided by Drumarkon, on request. Goods with a measured margin within the tolerances, cannot be subject of a dispute.

Copyrights.

Article 13.

- 13.1 Unless otherwise agreed in writing, drawings, descriptions, models, tools, work instructions, etc., which are made available by Drumarkon to client in connection with an order remain the complete property of Drumarkon.
- 13.2 Client may not copy the articles specified under 1 of this article or make them public without the prior written permission of Drumarkon.
- 13.3 Client must hand over to Drumarkon the documents specified under 1 and 2 of this article at its first request.

Guarantee.

Article 14.

- 14.1 Upon the goods delivered by Drumarkon, only such guarantee will be supplied as has been agreed in writing with the client, at least for insofar as such guarantee is granted by the suppliers of Drumarkon.
- 14.2 A guarantee is valid only if client has fulfilled all obligations contained in his contract with Drumarkon.
- 14.3 No guarantee shall be granted in such case as the client or a third party carries out repairs or other work on the goods delivered by Drumarkon without prior written permission from Drumarkon.

Indemnity.

Article 15.

- 15.1 Client is obligated to indemnify Drumarkon against all costs and damages which might be charged to Drumarkon if a third party should place a claim against them on the basis of any fact for which liability toward a client is excluded in these general conditions.

Third party clause.

Article 16.

- 16.1 All clauses concerning the exemption or limitation of the liability of Drumarkon and concerning the exemption of Drumarkon from claims of third parties, are co-specified for the benefit of both those in the employ of Drumarkon as well as for those whose actions or lack of actions Drumarkon could be held liable.

Termination.

Article 17.

- 17.1 In such case as client remains in default with regard to timely payment or fulfillment of other obligations toward Drumarkon, then Drumarkon is authorized, without the need for written placement in default by Drumarkon, to view the contract as having been dissolved, without prejudice to the rights of Drumarkon to demand complete restitution of costs, damages, interest, lost profits and all further rights on the basis of law.
- 17.2 The authority to dissolution of contract on the basis of this article is also held by Drumarkon in such case as Drumarkon adjudges that the client is less than creditworthy, and/or that client has applied for temporary suspension of payments, client's bankruptcy is applied for, liens are placed on client's possessions, or in the case of strike or liquidation of the company of the client.
- 17.3 The damages suffered and still to be suffered such as specified in the above specifications equal at least 10% of the agreed price, without Drumarkon being obligated to show that this damage has been or shall indeed be suffered. The compensation shall be considered to be an advance upon the complete damages compensation.
- 17.4 In the case of dissolution on the basis of this article, credit granted by Drumarkon to a client is immediately due, without the requirement of further placement in default.

Force majeure.

Article 18.

- 18.1 In the case of shortcoming(s) on the part of one of both parties in the fulfillment of the contract stipulations, which shortcoming(s) cannot be attributed to the party suffering it, then the execution of the contract or of the relevant portion thereof shall be suspended. Parties shall inform one another as quickly as possible with regard to such a situation. In such case as (a) shortcoming(s) shall have lasted for three months, or as soon as it is established that this/these will last for at least three months, then either party may partially or entirely dissolve this contract by means of Registered Letter, effective immediately, without either party being obligated to pay any compensation to the other party for damages, irrespective of the obligation of client to make payment to Drumarkon for the work c.q. goods supplied up to the moment of dissolution.
- 18.2 Understood in any case to fall under the concept of force majeure on Drumarkon's side shall be:
- A: nuclear accidents;
 - B: wars;
 - C: hostilities or other war crimes;
 - D: civil war;
 - E: revolution;
 - F: domestic unrest;
 - G: riots;
 - H: any form of armed conflict or threat thereof;
 - I: looting;
 - J: squatting;

- K: strikes;
- L: labor conflicts which make delivery difficult;
- M: natural disasters;
- N: seriously hindering weather and natural circumstances; legislative or administrative measures which hinder delivery;
- P: malfunctions in electricity, communication and water supplies;
- Q: traffic disorder;
- R: loss or damage to goods on transport;
- S: malfunctions or defects in means of transport, equipment and/or methods of communication utilized by Drumarkon;
- T: fire and other malfunctions in the Drumarkon company;
- U: non- or non-timely delivery to Drumarkon by any supplier in the Netherlands and/or other countries;
- V: stagnation in supply of goods, raw materials and/or energy.
- W: Terrorism.

Insurance.

Article 19.

- 19.1 Client is obligated to obtain and maintain the usual insurance coverage. This insurance is intended to cover those interests of Drumarkon which, as a result of delivery, have or will become the property of client. Client is obligated to compensate this interest, in the case of a calamity, to Drumarkon, and shall cede at the first request of Drumarkon its rights to remuneration from the insurer.
- 19.2 The establishment of insurance takes place for the risk and at the expense of client.
- 19.3 Drumarkon shall at no time be liable for damages which are normally covered by insurance.
- 19.4 Client is obligated to cede to Drumarkon at its first request all rights concerning payments resulting from insurance obtained on the basis of these Conditions which represent the interests of Drumarkon.

Applicable law.

Article 20.

- 20.1 The law of the Netherlands covers all of Drumarkon's contracts.
- 20.2 The contract concerning the international purchase of moveable property of 11 April 1980 at Vienna does not apply to any contracts established with Drumarkon.

Disputes.

Article 21.

- 21.1 All disputes between parties, except those disputes specified in paragraph 2 with regard to qualities, shall be represented in the first instance by the authorized Court of the Netherlands in the District of Dordrecht, without prejudice to the right of Drumarkon to involve the client in legal matters at the Court of his (the client's) own District.
- 21.2 All disputes between parties concerning qualities of delivered goods shall be subject to arbitration, with the exception of those in the Civil Court and of higher appeals.
- 21.3 Each of parties shall appoint an arbitrator, while the arbitrators jointly shall appoint a third arbitrator. Parties, on agreement, may also jointly appoint one arbitrator.
- 21.4 The arbitrator(s) determine(s) the manner in which the proceedings shall be carried out. The arbitrator(s) is/shall be authorized to demand from the claiming party or from both parties an advance to cover costs of arbitration.
- 21.5 The party adjudged to be in the wrong shall be required to pay an amount to cover costs, including those of the other party, to be established by the arbitrators. For insofar as parties are both placed in the wrong on certain points, the costs of arbitration may be divided between them, and the costs of parties may thus be partially or entirely adjusted.

Version: 4.0
Schelluinen, November 2008