

GENERAL PURCHASE CONDITIONS NNZ Denmark ApS

1. GENERAL

- 1.1. These purchase conditions (filed with the Court in Groningen under number 26/01) apply to all offers, order confirmations, sales, deliveries, contracts, products and services of NNZ (purchaser) in which NNZ acts as purchaser/customer and also to all follow-up and/or incidental orders.
- 1.2. In the event of whole or partial nullity or otherwise invalidity of one or more terms of these purchase conditions the other terms remain in force.
- 1.3. NNZ expressly rejects the applicability of any general or specific conditions or terms of the supplier.
- 1.4. If the contract concerns goods originating from India and/or Bangladesh that have been purchased with this description of origin, the terms and conditions of the CJFSA or the BJMC contracts respectively apply to the contract concluded between NNZ and the supplier, supplemented by these general purchase conditions. If the goods come from another country and have been purchased with a description of that country, the terms of the standard contract usual in that country apply, supplemented by these general purchase conditions. If the other country has no standard contract, terms of the CJFSA contract are applied accordingly in so far as they supplement the general purchase conditions in question. In cases of inconsistency between CJFSA or BJMC contract terms and these purchase conditions, the terms of these purchase conditions take precedence.

2. DISPUTES, APPLICABLE LAW AND COMPETENT COURT

- 2.1. These conditions and all contracts are subject - to the exclusion of the international sales conventions in force, more especially the Vienna Sales Convention of 1980 - to the law of the Netherlands. It is however expressly stipulated that Part 3, Title 5 of Book 6 of the Netherlands Civil Code does not apply to contracts referred to in Section 6:247 (2) of the Netherlands Civil Code.
- 2.2. All the delivery terms agreed between the parties and referred to in the contract in respect of its fulfilment shall be construed as being INCO terms as proposed in their latest version by the ICC in Paris, in so far as they are not inconsistent with these general purchase conditions.
- 2.3. All disputes arising from the contract(s) or these general purchase conditions shall be subject to the judgment of the competent court in the district of Groningen (the Netherlands).

- 2.4. These general purchase conditions were filed at the Office of the District Court in Groningen, under number 261, on 1 June 2001.

3. OFFERS AND TENDERS

- 3.1. An invitation from NNZ to the supplier to submit an offer/tender or quotation is in each case without obligation. An offer/tender or quotation from the supplier is regarded as being irrevocable as soon as NNZ in writing, or verbally, agrees to it and/or has placed an order based on the offer/tender or quotation.

4. CHANGES

- 4.1. The supplier is not permitted to change the original contract, except with the express written consent of NNZ.
- 4.2. The supplier shall at any time make technical changes/additions requested (and feasible) in respect of the desired goods, if NNZ so wishes.
- 4.3. NNZ can change the original contract. If a change/addition leads to a price reduction, the supplier shall implement it. A change cannot lead to an increase in the agreed price, or an extension of the agreed delivery period, unless this cannot reasonably be required of the supplier and it sends NNZ a written proposal in which the increased price or longer delivery period are described. The supplier cannot make the changes unless NNZ has expressly approved the written proposal.
- 4.4. NNZ has the right to cancel the contract as a whole or in part if the desired changes/additions are not possible within reasonable conditions or if NNZ cannot agree to the written proposal referred to in article 3.3.

5. PRICE AND PAYMENT

- 5.1. The purchase price is exclusive of VAT but does for instance, unless otherwise expressly agreed, include all other excise duties, import duties and taxes, the costs of packaging, transport costs, insurance costs and delivery costs.
- 5.2. Payment shall be made within 30 days of receipt of the goods. The price is given in euros. NNZ can suspend payment if fulfilment of the contract is not yet complete or incorrect. Under no circumstances does payment by NNZ constitute unconditional acceptance of the goods received.
- 5.2.1 Original invoice must be sent by e-mail invoices@nnz.dk no later than 3 days after delivery.
- 5.3. NNZ is entitled to set off against amounts payable by the supplier. Under no circumstances is the supplier entitled to set off against outstanding claims of NNZ.

5.4. Where payment is made in instalments or in the case of a partial advance payment, NNZ is entitled to require a bank guarantee from the supplier to serve as security for the (advance) payment.

5.5. The supplier is not, except with the express written consent of NNZ, entitled to make an interim increase in the purchase price because of any additional levies, taxes and other charges. Nor is the supplier entitled to increase the purchase price because of any exchange rate changes.

5.6. The supplier is obliged to the best of its ability to maintain the original purchase price. If the purchase price has to be increased owing to circumstances outside the supplier's control, such as scarcity of goods or breach of contract by other suppliers, NNZ has the alternative right to cancel the contract as a whole or in part.

6. DELIVERY

6.1. In keeping with the needs of NNZ delivery shall take place at NNZ's address or a place nominated by NNZ and shall be inclusive of the unloading of the goods. Delivery (inclusive of unloading) shall be at the supplier's expense and risk.

6.2. The supplier is obliged to insure itself adequately against any risks during the transport and unloading of the goods. The supplier is also obliged to pack the goods properly. In the event of damage during transport or unloading, the supplier is liable for the damage arising.

6.3. The supplier shall notify NNZ in good time of the day and the time of delivery. The agreed delivery period is binding. If the supplier cannot discharge this obligation, NNZ is entitled to claim the damage suffered, as described in article 10.1, without notice of default. NNZ also has the right to cancel the contract.

6.4. The supplier is not, except with the express consent of NNZ, permitted to bring in third parties for the fulfilment of the contract.

6.5. If the goods supplied do not correspond entirely in quantity or quality to the agreements made, the supplier, at the request of NNZ, is obliged to take back the goods at its expense. The supplier is obliged to pay back to NNZ the amounts of the purchase price already paid immediately and without any deductions.

7. FORCE MAJEURE

7.1. If the supplier is unable to discharge its obligations because of force majeure, it shall notify NNZ accordingly as soon as possible.

7.2. In the event of force majeure on the part of the supplier, NNZ is entitled to cancel the contract of sale as a whole or in part. In this case the supplier is obliged to make good the damage suffered by NNZ, as described in article 10.1.

8. PASSING OF RISK AND OWNERSHIP

8.1. Ownership passes from the supplier to NNZ at the time of delivery. In the event of rejection (article 9.2) ownership of the goods in question reverts to the supplier and these goods are held at its expense and risk from the date of despatch of the respective notification to the supplier to the time that the defects have been fully repaired to the satisfaction of NNZ or the defective goods have been replaced, whereupon ownership reverts to NNZ.

8.2. If NNZ signs a confirmation of receipt at the time of delivery, then NNZ is not using it to declare that the goods supplied comply with the contract.

8.3. Even if the purchase price has not yet been paid in its entirety by NNZ, NNZ has the right to process the goods supplied, to adapt them, to take them into use or to supply them on to third parties.

9. QUALITY AND QUANTITY

9.1. If the quality of the goods supplied is determined by weight, the average weight of a consignment is conclusive;

9.2. Where the supply of jute bags and cloth of heavy, coarse fabrics such as Hessian, Bagging and Twilled Sacking is concerned, a weight tolerance of five per cent is permitted, while for light, fine fabrics, such as Hessian and Tarpaulin, a weight tolerance of three per cent is permitted. A tolerance in both the width and the length of two centimetres applies to all jute bags;

9.3. Where the supply of newly woven and knitted synthetic bags and cloth is concerned, they are allowed to have a tolerance of two centimetres both in the width and in the length, while a weight tolerance of just one per cent is permitted;

9.4. Where the supply of all other synthetic bags and foil is concerned, a weight tolerance of ten per cent is permitted, while these bags are allowed a tolerance of six per cent in the width or in the length, as long as they are less than 15 centimetres wide, and of three per cent if they are more than 15 centimetres wide;

9.5. The tolerances per bag given in 8.b, 8.c, 8.d and 8.2 shall be seen as the average per bale;

9.6. Where the supply of cotton bags is concerned, a weight tolerance of five per cent is permitted. A tolerance of three centimetres both in the width and in the length applies to all cotton bags. Where the supply of paper bags is concerned, a weight tolerance of five per cent and a grammage tolerance of three per cent are permitted. A tolerance of two millimetres in the width and of five millimetres in the length applies to all paper bags. Supplier's paper and cardboard packaging which is intended for foodstuffs shall conform to NEN-EN 646 standards;

- relates directly to the goods not (correctly) supplied, NNZ can also opt for replacement of the goods.
- 9.7. Where the supply of used bags according to sample is concerned, the sample is decisive for the average quality of the batch to be supplied. On the basis of the samples sent NNZ has the right to comment on minor variations in quality, size, weight and the number of darns. These comments may possibly result in a reduction of the purchase price, never in an increase;
- 9.8. The supplier is responsible for the colour of the bags or any nuances therein. Any samples or specimens relating to the colour sent to NNZ are binding on the supplier.
- 9.9. The following permitted variations apply with regard to flexible intermediary bulk containers (FIBC). For variations in the dimensions a tolerance of **two** centimetres applies both in the width and in the length. For the weight of the cloth a tolerance of **five** per cent applies. UV-stabilisation to 150 KLY is mandatory for the FIBC. This can only be determined by an independent certified body. The FIBC shall at least conform to NEN-EN 1898 standards.
- 9.10. The supplier is entitled to supply not more than **two** per cent more or less than the quantity laid down in the contract.
10. GUARANTEES
- 10.1. The supplier guarantees that the goods supplied are of first-class design, construction, workmanship, material and quality. The goods supplied shall be entirely in conformity (except for the permissible variations of article 8) with the order placed, drawings, agreed NEN standards or other instructions of NNZ. The goods shall be immediately suitable for the purpose for which they have been purchased. The supplier is also obliged to comply with any statutory requirements applying to the goods and/or transport at its own expense and risk.
- 10.2. The supplier is obliged to repair any faults or defects in the first 12 months following delivery of the goods. On discovering faults or defects NNZ shall inform the supplier accordingly in writing in good time. The supplier is not obliged to repair faults or defects that have been caused by wear or inappropriate use on the part of NNZ. Where the supplier omits to repair the faults or defects, NNZ has the right, at the supplier's expense, to have the faults or defects repaired by a third party.
- 10.3. Where NNZ decides that there is a need to take steps to prevent further damage (such as a recall operation), all the costs arising shall be recovered from the supplier.
11. LIABILITY AND INDEMNITY
- 11.1. The supplier is liable for all damage that arises or could arise, directly or indirectly (such as loss of profit), as a consequence of the fulfilment of the contract and/or the use of the goods supplied, if and in so far as these goods as a whole or in part are not in conformity with that which has been agreed or if the damage shall otherwise be at the supplier's expense. As regards the damage that
- 11.2. The supplier is obliged to insure itself adequately against claims of NNZ and any third parties. The supplier shall indemnify NNZ, except for gross negligence or intent on the part of NNZ or its managerial staff, against all claims of third parties of whatever nature.
- 11.3. With regard to the supply of printed or otherwise marked goods, the supplier guarantees that it is entitled to print these goods and also that it has made any payments due to third parties in full. NNZ is indemnified against all claims arising from the said printed goods. This guarantee comes into effect with the acceptance of the offer by NNZ or the placement of a purchase order by NNZ. If and in so far as it turns out that in or following fulfilment of the order rights of third parties in respect of intellectual and/or industrial property in the country where the goods are adapted, but also in the country or countries where the goods are brought into circulation and/or are used are being or have been breached, the supplier is obliged to indemnify NNZ in respect of claims of third parties. In the event of claims of third parties, NNZ is entitled to suspend the contract already fulfilled or partly fulfilled and to return the goods already adapted and supplied, at the supplier's expense. NNZ expressly rejects any liability in pursuance of national and international regulations in the intellectual property field, such as trademark law and copyright.
- 11.4. Where the supplier affixes any codes on packaging, including the EAN code, the supplier is wholly liable with regard to the usability and the consequences of equipment fit for the purpose not being able to read such a code or reading it incorrectly.
12. CONFIDENTIALITY
- 12.1. The supplier is bound to treat all information originating from NNZ in confidence. The supplier may not, except with the express consent of NNZ, use any information originating from NNZ for the benefit of itself and/or third parties.
13. INTELLECTUAL PROPERTY RIGHTS
- 13.1. The supplier indemnifies NNZ against all the consequences of claims of third parties in respect of (any) breach of intellectual (property) rights of those third parties, so-called moral rights and also claims relating to know-how, including unauthorised competition, etc., relating to the contract and/or goods supplied.
- 13.2. Intellectual property rights to drawings, illustrations, designs, models, specifications, procedures, etc., which have been supplied by NNZ and/or have been prepared in consultation with NNZ and/or have been made on behalf of NNZ accrue to NNZ, the supplier on demand of NNZ performing any transfer procedures necessary, in order to deliver these rights if required.

14. DISSOLUTION

- 14.1. If the supplier fails to discharge any obligation that might arise for it from any contract properly or within a specified period or otherwise on time, the supplier is in default and NNZ is entitled without notice of default or judicial intervention:
- 14.2. to suspend payment of this contract and contracts directly connected with it until supply has been sufficiently secured and/or;
- 14.3. to cancel this contract and contracts directly connected with it as a whole or in part;
- 14.4. all this without prejudice to other rights of NNZ irrespective of the nature of the contract with the supplier (this includes NNZ's right to compensation).
- 14.5. In the event of (temporary) court protection from creditors, liquidation, debt rescheduling, closing down or winding-up of the supplier's business, all contracts with the supplier shall be dissolved by operation of the law, unless NNZ notifies the supplier in good time of its intention to demand fulfilment of (a part of) the respective contract(s), in which case NNZ is entitled without notice of default:
- 14.6. to suspend payment of the respective contract(s) until supply has been sufficiently secured;
- 14.7. and/or to suspend all its obligations with respect to the supplier;
- 14.8. all this without prejudice to other rights of NNZ irrespective of the nature of the contract with the supplier (this includes NNZ's right to compensation).
- 14.9. Except in the case of a consumer purchase the applicability of Section 6:278 of the Netherlands Civil Code is expressly excluded if NNZ cancels any contract with the supplier or otherwise initiates undoing as referred to in paragraph two of the said Section.