

GENERAL TERMS AND CONDITIONS OF RESEARCH AND DEVELOPMENT SERVICES

Research and development services, sample and prototype development, feasibility studies, engineering work and similar services ("Project") contracted to Innovative Mechanical Engineering Technologies B.V. ("IME") are subject to the following General Terms and Conditions. Divergent, contrary, or additional terms requested by the customer ("Customer") shall not form part of the agreement between IME and Customer without the prior written consent of IME.

1. SCOPE AND ACCEPTANCE

- 1.1. The Project shall comprise the work defined in the quotation of IME.
- 1.2. The quotation is non-binding and valid for thirty (30) days from the date of issuance. The quotation is subject to change or withdrawal prior to written acceptance by Customer. All purchase orders or agreements issued by Customer are subject to acceptance by IME by means of a written order confirmation or signed agreement. The scope of the Project is exclusively controlled by the written order confirmation or signed agreement ("Agreement").

2. PERIOD OF PERFORMANCE

Where the quotation or the Agreement includes a period of performance or deadlines, these shall only be deemed to be binding after express acknowledgement by IME. Should IME recognize that the binding period of performance or the binding deadline cannot be met then it shall notify t Customer of the reasons for delay and shall agree on an appropriate adjustment with Customer.

3. FEE AND TAXES

- 3.1. The fee shall be a fixed price. Notwithstanding this, the contracting parties may agree that the fee will be charged according to cost, where applicable with a maximum cost limit. VAT and other taxes in effect or later levied shall be added to the fee in each case, if applicable.
- 3.2. IME shall immediately notify Customer if it foresees that the result intended by the Agreement cannot be achieved at the agreed fee. IME shall simultaneously propose an adjustment of the fee to Customer. Should this be necessary for reasons which were neither foreseeable when the Agreement was concluded nor the responsibility of IME and if no other agreement is reached with Customer, then the adjustment proposed by IME shall be binding.

4. PAYMENT TERMS

- 4.1. Unless otherwise specified in the Agreement, IME will invoice Customer, and Customer will immediately pay such invoice on receipt for each installment in accordance with the agreed payment schedule and due date. The due date shall be the date stated in the invoice. Payments shall be made without a cash discount and with an indication of the invoice number and Project reference to the account designated by IME.
- 4.2. All invoices shall be payable within fourteen (14) after date of invoice.
- 4.3. Agreements are subject to IME's on-going credit review and approval.
- 4.4. Setoff against claims of IME shall only be allowed if the counterclaim is uncontested or if it is the subject of a final court decision.
- 4.5. Customer may only exercise a right of retention if its counterclaim is based on the same contractual relationship.
- 4.6. Customer shall pay legal interest ("*wettelijke rente*") plus 1% on any amount not paid when due. If Customer fails to pay any amount when due, in addition to any other rights or remedies available to IME at law or in equity, IME may discontinue the performance under the Agreement, or deduct the unpaid amount from any amounts otherwise owed to Customer by IME under any agreement with Customer. In any action initiated to enforce the terms of the quotation or the Agreement following a Customer default, IME shall be entitled to recover as part of its damages all costs and expenses, including reasonable attorneys' fees, in connection with such action.

5. PROJECT RESULTS AND RIGHTS OF USE

- 5.1. The Project result shall be made available to Customer after completion of the Project in accordance with the quotation or the Agreement.
- 5.2. Customer shall be granted a non-exclusive, royalty-free right of use for the purpose of application on which the Agreement is based to inventions generated during the performance of the Project as well as to industrial property rights filed by and granted to IME for these inventions. Customer shall reimburse IME an appropriate part of the costs for registration, maintenance and defense of the industrial property rights to be agreed upon between the contracting parties and shall pay, in case of use of the inventions, a comprehensive employee inventor's fee, the amount of which shall be agreed in each individual case.
- 5.3. Upon request and in lieu of the right according to Section 5.2, Customer shall be granted an exclusive, royalty bearing right of use for the purpose of application on which the Agreement is based to inventions generated during the performance of the Project as well as to industrial property rights filed by and granted to IME for these inventions. The request shall be made in writing addressed to IME, at the latest three (3) months after Customer's notification of the invention. IME shall insofar retain a non-exclusive, royalty-free right of use for purposes of research and development and other internal use.
- 5.4. Customer shall be granted a non-exclusive, royalty-free right of use for the purpose of application on which the Agreement is based to copyright protected works, databases, and know-how created during the performance of the Project. The granting of an exclusive right of use for

the purpose of application on which the Agreement is based shall require a separate agreement.

- 5.5. Inventions jointly achieved by the contracting parties during the performance of the Project ("Joint Inventions") may be used by each contracting party without any financial compensation for internal use only. If a contracting party wants to commercialize Joint Inventions shall be negotiated in good faith between the contracting parties. A contracting party may request the other contracting to sublicense the Joint Inventions to a third party. The financial compensation of the other contracting party for such a sublicense shall be negotiated in good faith between the contracting parties. The contracting parties shall each bear a, to be agreed portion of the costs for registration, maintenance and defense of the industrial property rights in question. In the case of copyright protected works jointly created during the performance of the Agreement ("Joint Authorship") Section 5.5, sentence 1 shall apply correspondingly.
- 5.6. If during the performance of the Agreement already existing industrial property rights or copyrights of IME are used which are required for Customer's commercialization of the result of the Project, then Customer shall be granted a non-exclusive, royalty-bearing right of use under a separate agreement unless other obligations entered into by IME preclude this.

6. THIRD PARTY PROPERTY RIGHTS

- 6.1. IME shall immediately notify Customer and Customer shall immediately notify IME of any third party industrial property rights of which either IME or Customer becomes aware during the performance of the Agreement and which could preclude Customer's use agreed pursuant to Section 5. The contracting parties shall decide in joint consultation how such industrial property rights shall be taken into consideration in the further performance of the Project.
- 6.2. In the case of infringement of third party industrial property rights IME shall be liable under the provisions of Sections 7.2 if it has violated its obligation to notify Customer.

7. LIABILITY

- 7.1. IME shall be responsible for applying scientific care and good workmanship and for complying with accepted scientific and business standards but not for actually achieving the Project goal.
- 7.2. The liability of IME, its legal representatives and agents in the case of violation of obligations and tort shall be limited to intent and gross negligence. IME will never be liable for any damage resulting from the failure of Customer to timely provide complete and accurate information. The liability for any shortcomings in the execution of the Project will be limited to the amount of the fee that IME has received in relation to the Project. In addition, IME will only be liable for a maximum of the fees that IME has received for the last six (6) months relating to the Project.
- 7.3. Should IME neither fulfill the performance as agreed upon nor do so at the time due nor in the manner agreed upon, then Customer may only demand compensation in lieu of performance if Customer has unsuccessfully set an appropriate deadline for the performance by IME including the statement that it would otherwise reject acceptance of the performance after the passing of that deadline.

8. LIMITATION OF LIABILITY

THE TOTAL liability, IF ANY, OF IME FOR ALL DAMAGES AND BASED ON ALL CLAIMS, WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE, ARISING FROM A SERVICE IS LIMITED TO THE PRICE PAID HEREUNDER FOR THE SERVICE. THIS LIMITATION SHALL NOT APPLY TO THIRD PARTY CLAIMS FOR BODILY INJURY OR DEATH CAUSED BY IME'S NEGLIGENCE.

9. DISCLAIMER

IN NO EVENT SHALL IME BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT.

10. SPECIAL CONDITIONS FOR DELIVERY AND WORK PERFORMANCE WITHIN THE PROJECT

- 10.1. Where IME on the basis of an express commitment owes performance or delivery of tangible results corresponding to the accepted state-of-the-art as the result of the Project then in the case of defects the relevant provisions from the General Terms and Conditions of Sale of IME shall only be applicable subject to the following Sections.
- 10.2. Should the result of the Project generated by IME prove to be defective, then IME shall first be given the opportunity to supplementary performance - depending on the nature of the result of the Project, the defect and other circumstances also repeatedly - either by means of remedying the defect or substitute delivery.
- 10.3. Should IME reject supplementary performance or if supplementary performance cannot be achieved or Customer cannot reasonably be expected to accept supplementary performance, then Customer may either terminate the Agreement or demand reduction of the fee owed

(reduction) or damages. The right to termination may be exercised only in case of a serious defect. Such right lapses if Customer does not declare the termination of the Agreement within fourteen (14) days after receiving notification of rejection or failure of supplementary performance or at the latest fourteen (14) days after the date at which it is recognized that Customer cannot reasonably be expected to accept supplementary performance. IME shall pay damages only under the further conditions of Section 7.2 and, if IME has rejected supplementary performance, Section 7.3 shall apply also.

- 10.4. Customer shall immediately examine the Project result supplied by IME and report any defects found without undue delay. IME only warrants for recognizable defects if it has been notified thereof within a period of fourteen (14) days from the date of delivery.
- 10.5. Claims due to defects shall be statute-barred in accordance with the provisions of Section 11.

11. STATUTES OF LIMITATION

- 11.1. The claims of Customer for breach of duty and tort shall be statute-barred within twelve (12) months. This shall not apply where legislation prescribes longer periods of time in the Dutch Civil Code or IME is liable due to intent or gross negligence.
- 11.2. Should acceptance of the Project result be agreed upon, the statute of limitations on claims due to defects pursuant to Section 11.1 shall commence upon acceptance, otherwise upon delivery.
- 11.3. Negotiations between the contracting parties over claims or over circumstances giving rise to claims shall suspend the statutes of limitation. The suspensive effect shall end if one of the contracting parties has not complied within four (4) weeks with the request.

12. RETENTION OF TITLE

Customer shall only be granted ownership to the result of the Project as well as to the right of use according to Sections 5.2, 5.3, 5.4, 5.5 and 5.6 after full payment of the agreed fee.

13. CONFIDENTIALITY

- 13.1. The contracting parties shall for the duration of the Agreement and for a period of five (5) years after its termination not make accessible to third parties information of a technical or commercial nature disclosed to each other and declared to be confidential. This shall not apply to information known or generally accessible to the other contracting party or to the public, or information which becomes known or generally accessible to the public after disclosure without any involvement or fault on the part of the other contracting party, or correspond to information disclosed or made accessible to the other contracting party by an entitled third party, or independently developed by an employee of the other contracting party not in possession of the information disclosed, or information that is required to be disclosed by law or by court order.
- 13.2. Third parties within the meaning of this provision shall not include subcontractors of IME if these have been entrusted with a part of the services by IME within the context of the Agreement and if they have been placed under an obligation of confidentiality.

14. PUBLICATION AND ADVERTISING

- 14.1. Customer shall be entitled to publish the result of the Project including identification of the author or the only after prior consultation of IME. Such consultation shall take into consideration that, for instance, applications, and/or registrations of intellectual property rights are not impaired. For purposes of advertising, Customer may only mention the name of IME with their express consent, which consent shall not be unreasonably withheld.
- 14.2. Publications by IME relating to the purpose of application on which the Agreement is based and for which Customer has been granted an exclusive license as specified in Section 5.3, shall only be made after consultation with e Customer in due time prior to publication.

15. TERMINATION

- 15.1. Should no essential progress in work have been achieved within a significant period of performance then each contracting party shall be entitled to terminate the Agreement with thirty (30) days' written notice ("Period of Notice") to the end of a calendar month. However, termination by Customer is excluded within a ninety (90) day's period since the beginning of the Agreement. Except as provided in this Section 15, there shall be no further right of termination.
- 15.2. Each contracting party shall be entitled to terminate the Agreement upon the other party's material breach of this Agreement, provided that the terminating party has given the defaulting party no less than thirty (30) days' prior written notice of such breach and the defaulting party has not cured such default by the end of the notice period.
- 15.3. Upon termination IME shall submit within thirty (30) days the result of the Project achieved until expiry of the Period of Notice. Customer shall be obliged to compensate IME for costs incurred up to the expiry of the Period of Notice. Personnel costs shall be reimbursed as incurred up to the date of termination. In the event that the termination is due to a fault by one of the contracting parties, this shall not affect damage compensation claims.

16. GENERAL TERMS

- The following additional terms shall be applicable to the Agreement:
- 16.1. **FORCE MAJEURE.** Each party shall be excused from performing its obligations (except for payment obligations) arising from any delay or

default caused by events beyond its reasonable control including, but not limited to, acts of God, acts of third parties, acts of any civil or military authority, fire, floods, war, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, subcontractors or suppliers, voluntary or mandatory compliance with any government act, regulation or request, shortage of labor, materials or manufacturing facilities.

- 16.2. **BANKRUPTCY.** If Customer becomes insolvent, is unable to pay its debts when due, files for bankruptcy, is the subject of involuntary bankruptcy, has a receiver appointed, or has its assets assigned, IME may cancel any unfulfilled obligations, or suspend performance; however, Customer's financial obligations to IME shall remain in effect.
- 16.3. **ASSIGNMENT.** Customer may not assign any rights or obligations in connection with the transactions contemplated by the quotation or the Agreement without the prior written consent of IME, which consent shall not be unreasonably withheld, and any attempted assignment without such consent shall be of no force or effect.
- 16.4. **GOVERNING LAW AND COMPETENT COURT.** All transactions contemplated by the quotation or the Agreement shall be exclusively governed by the laws of the Netherlands and all disputes shall be exclusively settled by the applicable court in 's-Hertogenbosch, the Netherlands.
- 16.5. **ENTIRE AGREEMENT.** These General Terms and Conditions, the terms and conditions set forth in the quotation and the Agreement constitute the entire understanding and agreement by and between the parties with respect to the transactions contemplated by the quotation or the Agreement and supersede any previous understandings or agreements between the parties, whether written or oral, regarding the transactions contemplated by the quotation or the Agreement. The pricing in the quotation is based upon the terms and conditions in the quotation. No additional terms, conditions, consents, waivers, alterations, or modifications shall be binding unless in writing and signed by the parties. Customer's additional or different terms and conditions, whether stated in a purchase order or other document issued by Customer, are specifically rejected and shall not apply to the transactions contemplated by the quotation or the Agreement.
- 16.6. **HEADINGS.** The headings in the quotation and the Agreement are intended for convenience only and shall not be used to interpret the quotation.
- 16.7. **SEVERABILITY.** If any provision of the quotation or the Agreement is deemed to be illegal, unenforceable, or invalid, in whole or in part, the validity and enforceability of the remaining provisions shall not be affected or impaired, and shall continue in full force and effect.
- 16.8. **NOTICES.** Notices or other communications shall be in writing, and shall be deemed served if delivered personally, or if sent by facsimile transmission, by overnight mail or courier, or by certified mail, return receipt requested and addressed to the party at the address set forth in the quotation or the Agreement.
- 16.9. **PERFORMANCE.** The failure of Customer or of IME at any time to require the performance of any obligation will not affect the right to require such performance at any time thereafter. Course of dealing, course of performance, course of conduct, prior dealings, usage of trade, community standards, industry standards, and customary standards and customary practice or interpretation in matters involving the sale, delivery, installation, use, or service of similar or dissimilar Products or services shall not serve as references in interpreting the terms and conditions of the quotation or the Agreement.
- 16.10. **OBLIGATIONS.** Customer's obligations are independent of any other obligations Customer may have under any other agreement, contract, or account with IME. Customer will not exercise any right of offset in connection with the terms and conditions in the quotation or the Agreement or in connection with any other agreement, contract, or account with IME.