



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220
F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM
I: WWW.YOUNG-BAGS.COM

GENERAL TERMS AND CONDITIONS OF PURCHASE OF YOUNG BAGS BV

ARTICLE 1: GENERAL

- 1.1 These General Terms and Conditions of Purchase (hereinafter referred to as "GTCP") are applicable to all Purchase Orders for Products and Services to be provided by Seller to Young Bags BV, Dutch Registered Company No. 54861772 and/or its customers.
- 1.2 Any provisions in Seller's general conditions of sale (however named) or amendment(s) made by Seller to these GTCP are herewith explicitly rejected. Any additions or amendments to and deviations from these GTCP shall only be valid if agreed in writing and signed by duly authorized representatives of Parties.

ARTICLE 2: DEFINITIONS

- 2.1 **Delivery Date:** the date when Seller shall deliver the Products and/or has executed and completed the Services.
- 2.2 **ICC - Incoterms 2010:** International Chamber of Commerce ("ICC") rules for the interpretation of trade and delivery terms.
- 2.3 **Liquidated Damages:** the amount of fixed compensation as specified in the Purchase Order for a delay in delivery of Products or completion of the Services.
- 2.4 **Owner:** Young Bags BV's client establishing and/or owning the plant or facilities in which the Products and/or Services are intended to be used.
- 2.5 **Party or Parties:** Young Bags BV and/or

- Seller individually or collectively as the case may be.
- 2.6 **Products:** all goods and services specified in the Purchase Order.
- 2.7 **Purchase Order:** a written order (on paper or by electronic means) issued by Young Bags BV for the purchase of Products and/or Services.
- 2.8 **Quotation:** the offer, proposal or quotation (however named) including scope, specifications, functional requirements, quantity, schedule, conditions, drawings and other related documents attached thereto or referred therein, issued by Seller for the sale of Products and/or Services.
- 2.9 **Recall:** a request by Seller to return Products, which show a defect in any produced series.
- 2.10 **Seller:** the legal entity receiving a Purchase Order from Young Bags BV.
- 2.11 **Services:** all activities performed by Seller for Young Bags BV and/or Owner, as specified in the Purchase Order, not consisting of the supply of Products.
- 2.12 **Site:** the plant, facilities or other location of Owner, where (part of) the Services are to be performed or the Products be delivered and used.

ARTICLE 3: ACCEPTANCE OF PURCHASE ORDER

- 3.1 The Purchase Order shall become binding on the date that Seller signs the Purchase Order for acceptance. Seller shall return



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220
F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM
I: WWW.YOUNG-BAGS.COM

the accepted Purchase Order within five (5) working days of the date of the Purchase Order. If Seller commences work before returning the signed Acceptance Form of the Purchase Order, Seller shall be deemed to have accepted the Purchase Order.

- 3.2 Young Bags BV shall be entitled to cancel the Purchase Order if the Purchase Order has not been accepted in writing within the timeframe mentioned in this Purchase Order or if modifications to the Purchase Order have been made by Seller without Young Bags BV's prior written consent.

ARTICLE 4: DELIVERY AND PRICE

- 4.1 Delivery shall be as specified in the Purchase Order and per the ICC – Incoterms 2010. The Delivery Date shall be of the essence. In case of late delivery, Young Bags BV is entitled to cancel without any liability all or part of the Purchase Order, however, Young Bags BV may at his sole discretion choose not to cancel and grant Seller an extension of the Delivery Date. Notwithstanding the cancellation of the Purchase Order or the extension of the Delivery Date, the Liquidated Damages as stated in the Purchase Order – if any – shall remain due and payable by Seller. Partial delivery may only be made upon Young Bags BV's prior written consent.
- 4.2 Seller shall notify Young Bags BV in writing immediately if any delay is foreseen and shall take all necessary

measures at its cost to achieve the agreed delivery schedule. Young Bags BV reserves the right to require Seller to promptly implement at Seller's cost such measures as Young Bags BV reasonably considers necessary to achieve the agreed delivery schedule.

- 4.3 In the event of default by Seller under the provisions herein, and/or if Young Bags BV otherwise determines that Seller's performance is such that it will cause a delay in delivery, not being due to Force Majeure, Young Bags BV has the right, after prior written notice to Seller, to cancel part or all of the Purchase Order in accordance with the provisions herein. In the event delay is due to Force Majeure, the provisions of article 20 shall apply.
- 4.4 The price set forth in the Purchase Order shall be fixed and firm and shall constitute the entire compensation owed to Seller for the Products and/or Services. No adjustment shall be made for whatever reason, including without limitation currency value change. All prices and rates are exclusive of VAT, but inclusive of all transport, packaging, travel, lodging and installation, import duties and other taxes, levies or costs, unless specified differently in the purchase order.

ARTICLE 5: PAYMENT

- 5.1 Seller shall submit an invoice containing the information as specified in the Purchase Order. A correct and undisputed invoice shall be paid within sixty (60)

days after receiving the invoice or eight (8) days after receiving the invoice minus 3%.

- 5.2 Young Bags BV shall at all times be entitled to set off any amount owed to Seller against any debt, whether due payable or not, which Seller may at any time owe to Young Bags BV, including without limitation any Liquidated Damages due and payable by Seller.
- 5.3 In the event of an invoice being issued before the agreed delivery date as a result of premature delivery and acceptance, the agreed delivery date shall be deemed date of invoicing and receipt deemed as being after 3 working days thereafter.
- 5.4 Young Bags BV shall in the event of termination under article 18 be entitled to defer any payment to Seller.
- 5.5 Invoices sent to Young Bags BV after the expiry of six (6) months from the Delivery Date shall not be accepted by Young Bags BV and by the expiry of said period the Seller's right to payment of such invoices shall be forfeited.

ARTICLE 6: PACKING

- 6.1 The Products shall be adequately packed and marked in accordance with Young Bags BV's instructions. Seller shall be liable for any and all damage caused to the Products or result from the Services as a result of inadequate packing. All used packaging shall become property of Young Bags BV.

ARTICLE 7: EXPEDITING AND INSPECTION

- 7.1 Young Bags BV or third parties acting on behalf of Young Bags BV shall at any time have the right to inspect or test the Products and/or Services. Seller shall give Young Bags BV at least ten (10) working days notice of the scheduled date for such inspection or testing in order to enable Young Bags BV to attend. All costs made by Seller for inspection or testing shall be borne by Seller.
- 7.2 If Young Bags BV or third parties acting on behalf of Young Bags BV determine that the Products and/or Services are not in conformity with the specifications in the Purchase Order, Seller shall at his own cost restore the Products and/or Services to their specifications and correct any defects.
- 7.3 If and when required in the Purchase Order, Seller agrees to submit a detailed production schedule and to regularly submit progress reports against such schedule. Seller agrees to undertake all expediting, including expediting sub-suppliers, as may be necessary to ensure that the Delivery Date or any other relevant date specified in the Purchase Order is met.
- 7.4 Upon request by Young Bags BV, Seller shall issue un-priced copies of purchase orders to Seller's sub-suppliers, which shall include a statement of Young Bags BV's expediting and inspection rights as set forth herein.
- 7.5 Products delivered by Seller in error or in



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220
F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM
I: WWW.YOUNG-BAGS.COM

excess of the quantities specified in the Purchase Order will be returned to Seller at Seller's cost.

- 7.6 Should the goods be rejected during or after delivery, the risk for the rejected goods shall pass to the Seller as of the date of the notification of rejection, as set out above.

ARTICLE 8: FINAL ACCEPTANCE AND REJECTION

- 8.1 Final acceptance of Products and/or Services or any part thereof shall be subject to satisfactory survey at Young Bags BV's premises or at the Site where the Products will be used or processed or put into operation. Young Bags BV's final acceptance shall not relieve Seller of any of its obligations under the Purchase Order and/or these GTCP.
- 8.2 Upon rejection by Young Bags BV of the Products and/or Services, Young Bags BV shall be entitled to replacement and delivery thereof within a period to be specified by Young Bags BV and without prejudice to its other rights under the Purchase Order and/ or GTCP. Such replacement and delivery thereof shall be without charge to Young Bags BV and no such delivery shall be made prior to inspection and/or written consent by Young Bags BV.

ARTICLE 9: COMPLIANCE

- 9.1 The Products and/or Services shall be manufactured in accordance and comply with all applicable laws, rules and

regulations in the country of origin of Seller, as well as in the EU. Seller warrants that the applicable (EU-) legislation in force is not restricting any future support, (re-)sale, use or treatment of the Products and/or Services.

- 9.2 Furthermore, Seller warrants that whenever the Purchase Order requires Seller's presence at the Site, Seller shall comply with all applicable safety, health and environmental regulations including Young Bags BV's or Owner's local policies or code of conduct, or other requirements applicable to the Site and shall promptly implement instructions by Young Bags BV and/or Owner in this regard.
- 9.3 Young Bags BV is committed to conducting its business free from unlawful, unethical or fraudulent activity. Suppliers are expected to act in a manner consistent with the ethical and professional standards of Young Bags BV set forth in the Young Bags BV Code of Conduct, including reporting promptly unlawful, fraudulent or unethical conduct.
- 9.4 Any Products and/or Services, which can be qualified as Dual Use item or Technology as per the UNSC Resolutions on non-proliferation of weapons of mass destruction and/or listed as such in EC Regulation 1334/2000 shall be explicitly stated as such by Seller in the Quotation.

ARTICLE 10: VARIATION ORDERS

- 10.1 No variation or modification to, or deletion or substitution of any detail of Young Bags



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220
F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM
I: WWW.YOUNG-BAGS.COM

BV's specifications, drawings etc. or to any condition or provision of the Purchase Order by Seller is permitted without prior written approval of Young Bags BV.

10.2 Seller shall inform Young Bags BV in time, but at least six (6) months prior to any changes in specifications or other material changes in the product. The Seller will inform Young Bags BV in detail about these changes which enables Young Bags BV to enter an approval process.

10.3 Young Bags BV may alter quantities and/or specifications given in the Purchase Order at any time. If any Young Bags BV's initiated variations affect price or Delivery Date, Seller shall give Young Bags BV written notice to that effect within five (5) working days from the date of receipt of Young Bags BV's notice of variation. Any changes in price and/or delivery time shall be agreed on mutually. In any event, if Seller fails to submit a request for a variation order within five (5) working days from the date of Young Bags BV's notice of variation or from the date of the occurrence for which Seller claims it is entitled to a variation, then the Seller shall, at the sole discretion of Young Bags BV, forfeit any right to receive a variation order.

ARTICLE 11: TITLE AND RISK

11.1 Title to the Products and/or Services shall transfer to Young Bags BV upon the earlier of a) delivery to Young Bags BV or b) payment by Young Bags BV of the first

installment for the concerned Products and/or Services. In the latter case Seller shall properly mark as "Young Bags BV owned" and store separately any and all goods of which the title has transferred to Young Bags BV. Risk to the Products and/or Services shall transfer to Young Bags BV upon delivery or – if applicable – final acceptance.

ARTICLE 12: INTELLECTUAL PROPERTY RIGHTS

12.1 Seller shall not use or refer to any of Young Bags BV's/Owner's and/or their licensors' intellectual property rights without Young Bags BV's prior written consent. Young Bags BV and/or Owner remains the owner of all intellectual property rights in the inventions, models, designs, schedules, drawings, illustrations, catalogues, manuals and all other documentation etc. comprised therein as supplied to Seller during the course of the Services. Seller shall not copy, reproduce or circulate the above in whole or in part, without the prior written permission of Young Bags BV.

ARTICLE 13: INFRINGEMENT CLAIMS

13.1 Seller shall indemnify Young Bags BV/Owner and hold Young Bags BV/Owner harmless against any and all damages, losses or expenses resulting from any claim, action or litigation arising out of any alleged and/or actual infringement of any third party intellectual property right resulting from the use or resale of



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220
F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM
I: WWW.YOUNG-BAGS.COM

Products and/or Services.

ARTICLE 14: ADMINISTRATION AND QUALITY ASSURANCE

- 14.1 Seller shall implement and maintain an administration adequate to trace all data pertaining to a certain production, including batch information, production dates, procured components and source, which shall be kept for a minimum of ten (10) years from such production date. Seller shall retain samples from each batch for a minimum of two (2) years from such production date.
- 14.2 Seller shall have and maintain a certified quality system such as but not limited to ISO 9001-2000. Young Bags BV reserves the right to inspect Seller's compliance therewith at Seller's premises.

ARTICLE 15: WARRANTY

- 15.1 Seller warrants that the Products and/or Services (i) will be new and free from defects and in all respects meet the specifications in the Purchase Order; (ii) will be and remain suitable for their purpose.
- 15.2 Any defect detected within twelve (12) months from commercial operation months from the actual delivery, whichever occurs first, shall be promptly repaired or replaced by Seller in consultation with Young Bags BV. All costs arising from such repair or replacement shall be borne by Seller. If the Products and/or Services are destined to form part

of and/or are to be integrated into a third party project, the twelve (12) month warranty period shall commence from the date such third party project shall come into commercial operation.

- 15.3 If Seller fails to comply with above obligations, Young Bags BV shall be entitled to carry out or to have carried out all necessary work at Seller's expense.
- 15.4 The warranty period for repaired or replaced items shall be twelve (12) months from reinstallation, or eighteen (18) months from the original delivery, whichever period is longer.
- 15.5 The commercial warranty period as stated above or as stated in the purchase order will not affect Young Bags BV's right to demand fulfillment of Sellers obligation.

ARTICLE 16: LIABILITY

- 16.1 Seller shall be liable for and indemnify Young Bags BV and hold Young Bags BV harmless from and against any claims relating to any Recall, personal injury or death and/or property damage arising out of acts or omissions of Seller or defects in the design, equipment, materials or workmanship of the Products and/or Services. Furthermore, Seller will indemnify and hold harmless Young Bags BV for all costs and damages resulting from any (non-) compliance of the Products and/or Services with the applicable (EU-) legislation. Said liability shall survive any termination or expiration of the Purchase Order.



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220

F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM

I: WWW.YOUNG-BAGS.COM

16.2 Young Bags BV shall not be liable for any special, indirect or consequential damages of the other Party, including but not limited to, loss of profits, loss of business, interruption of business, lost goodwill, lost revenue and/or loss of business information, and regardless whether such damages are based on wrongful act, breach of contract, breach of warranty or other legal fault. Young Bags BV shall also not be liable for claims that are not issued within 6 (six) months after the date of the invoice to which that claim relates.

16.3 The possible liability of Young Bags BV shall in any event be limited to the amount of the invoice to which a claim relates.

ARTICLE 17: INSURANCE

17.1 Seller shall take out and maintain insurance policies, including, without limitation, general liability and product liability, which insurance policies shall cover risks during execution of the Purchase Order and five (5) years after fulfillment of Seller's obligations thereof. Upon Young Bags BV's first request, Seller shall promptly submit insurance certificates of the required insurance policies. All such insurances shall include a waiver of subrogation against Young Bags BV and Owner and include Young Bags BV and Owner as additional insureds.

ARTICLE 18: TERMINATION

18.1 In the event Young Bags BV has valid reasons to assume that Seller will fail to perform any obligation under the Purchase Order without providing adequate security; or Seller (i) fails to perform any obligation under the Purchase Order which, upon written notice by Young Bags BV, remains unfulfilled for 15 calendar days thereafter; (ii) becomes subject to change of control or ownership; (iii) terminates or suspends its business activities, becomes insolvent, admits in writing its inability to pay its debts as they mature, makes an assignment for the benefit of creditors, becomes subject to direct control of a trustee, receiver of similar authority or becomes subject to any bankruptcy or insolvency proceedings; Young Bags BV shall be entitled, immediately and without warning or notice of default and without any liability or prejudice to any other remedy and/or right which Young Bags BV may have, either to claim immediate fulfillment of Seller's obligation or cancel the Purchase Order, obtain possession of the completed Products and/or Services and/or recover from Seller any amounts paid. Furthermore, Young Bags BV shall be entitled at any time to terminate for its convenience (part of) a Purchase Order by giving notice thereof to Seller. In such case Seller shall be entitled to payment for the part of the Product/Services as successfully delivered/performed and

accepted by Young Bags BV and/or Owner, as well as payment for other demonstrable costs of Seller as reasonably made up to the date of termination, using the rates as agreed between Parties or – in absence of agreed rates – as reasonably agreed between Parties.

ARTICLE 19: SUSPENSION

19.1 Young Bags BV may at any time, and without affecting the Purchase Order otherwise, by written notice to Seller, suspend further performance by Seller of any part or all of the Purchase Order. Upon receipt of such notice, Seller shall promptly suspend further performance and shall, during the duration of such suspension, take proper care and protect all work associated with the Products in progress and any materials, supplies and equipment on hand. Young Bags BV may at any time withdraw by written notice the suspension and Supplier shall promptly resume and diligently continue performance under the Purchase Order.

19.2 If suspension reasonably affects price and/or delivery schedule, Seller shall so notify Young Bags BV in writing and suggest the necessary changes. The Parties will discuss in good faith the proposed changes. If the duration of suspension exceeds one hundred and eighty (180) consecutive calendar days, either Party shall have the right to terminate the Purchase Order for its convenience and the last paragraph of

article 18 above shall be applicable.

ARTICLE 20: FORCE MAJEURE

20.1 Parties shall not be responsible for any delay or failure in performing their obligations under a Purchase Order, if due to Force Majeure. For the purpose hereof, Force Majeure shall mean a delay in or failure in the performance of obligations which is directly and solely attributable to events which are compelling, unforeseeable, unavoidable, outside of the invoking Party's control or otherwise attributable to it and not due to any fault and negligence on its part.

20.2 Force Majeure may include, but is not limited to, the following events or circumstances:

- war, hostilities, invasion, acts of foreign enemies;
- rebellion, terrorism, revolution, insurrection, military or usurped power, civil war;
- riot, commotion, disorder, strike or lockout by persons other than the invoking Party's personnel;
- munitions, explosive materials, ionizing radiation or contamination by radio activity, except as may be attributable to Young Bags BV's or Customer's use of such munitions, explosives, radiation or radioactive material;
- natural catastrophes such as flood, earthquake, hurricane, typhoon or volcanic activity.

20.3 The following occurrences shall not be



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220

F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM

I: WWW.YOUNG-BAGS.COM

considered Force Majeure:

- normal hazards of weather;
- shortage of materials, supplies, power, labor and transport;
- disputes between Seller and his workers;
- directives by Government Authority arising from failure, error or delay by Seller to conform to applicable laws and regulations or to secure obligatory approvals and permits from Governmental or Local Authorities in due and proper time
- any breaches or Force Majeure of Seller's sub-contractors or sub-suppliers.

20.4 In case of any of the above events, Parties will promptly notify the other Party of such delay or failure in writing and if a Force Majeure situation exceeds thirty (30) days, Parties shall have the right to terminate the Purchase Order without liability. Seller shall take all reasonable and expeditious steps to mitigate the adverse impact of Force Majeure. In the event of Force Majeure, the delivery schedule and related payment schedules shall be extended by and to the extent performance is affected by Force Majeure, but Seller shall in no event be entitled to any extra compensation by reason of Force Majeure.

ARTICLE 21: CONFIDENTIALITY

21.1 Either Party shall keep strictly confidential all of the other Party's confidential and sensitive information (including Owner's

confidential information) of which it becomes aware of in the course of the execution of a Purchase Order and Parties shall take adequate measures to ensure that their employees and other engaged personnel shall equally comply with this confidentiality commitment. This confidentiality commitment shall not apply to information which (i) is already known to the recipient or is publicly available at the time of disclosure, (ii) is lawfully disclosed to the recipient by a third party without an obligation of confidentiality, (iii) becomes publicly available after disclosure without any fault of the recipient, (iv) recipient can prove is independently developed by the recipient without reliance or reference to the information of the discloser, or (v) is required to be disclosed by law or public order.

ARTICLE 22: ASSIGNMENT AND SUBCONTRACTING

22.1 Parties shall not transfer or assign or subcontract whole or part of the Purchase Order without the other Party's prior written consent. Young Bags BV's consent shall not discharge Seller from any obligation towards Young Bags BV, however. Young Bags BV has the right to transfer or assign the Purchase Order to Young Bags BV's affiliates or to Owner and Owner's successors and assignees without prior consent of Seller.



YOUNG BAGS BV

LOODSWEG 3
1525 RH WORMERVEER
THE NETHERLANDS

T: +31(0)85 4898 220

F: +31(0)85 4898 228

E: INFO@YOUNG-BAGS.COM

I: WWW.YOUNG-BAGS.COM

ARTICLE 23: GOVERNING LAW AND DISPUTE RESOLUTION

23.1 These GTCP shall be governed by and interpreted in accordance with the laws of The Netherlands.

23.2 All disputes arising from or relating to the Purchase Order and/or these GTCP shall be submitted to the exclusive jurisdiction of the by Young Bags BV selected court in accordance with Dutch law.

January 2014