

## SALES ORDER TERMS AND CONDITIONS AXXOR N.A.

### Article 1 Definitions

Under these conditions it is understood by:

- a. **Customer:** the private individual or legal entity who has given an order of sale and/or delivery of goods or for performance of operations and/or services to the supplier;
- b. **Supplier:** the legal entity, hereinafter to be called 'Axxor N.A., LLC', which has accepted the order mentioned under a. or which has made a preceding proposal or offer for a possible order.

### Article 2 General

1. These conditions are applicable to all legal transactions performed by or in the name of Axxor N.A., LLC.
2. General conditions by customer are expressly rejected.
3. All verbal agreements made between the parties, or promises given by Axxor N.A., LLC will be confirmed in writing and are binding only after written confirmation.
4. In case one or more of the stipulations are invalid, is either legally rescinded or otherwise (seem) to have no effect, the other stipulations of these conditions remain binding.

### Article 3 Offers

1. All offers, proposals and quotations by Axxor N.A., LLC are not binding obligations, unless otherwise expressly agreed upon.
2. An agreement only comes into being when and at the moment that Axxor N.A., LLC accepts a (call)order/order in writing or has actually proceeded to the execution of the order - also when this order has been received by Axxor N.A., LLC from commercial agents, commercial travellers and/or other intermediaries - or when and at the moment that customer has accepted in writing and without any reservation a proposal from Axxor N.A., LLC and compliance has been reached on all the parts of the agreement.
3. If customer provides further data, drawings, measurements, weights etc. within the framework of the agreement to be closed, Axxor N.A., LLC assumes these are accurate and the proposal, the offer or the agreement will be rendered respectively closed based on this information.
4. Axxor N.A., LLC accords the greatest attention to pictures, drawings, measurements, weight specifications, or any other stipulations, however, is not bound to these when inaccuracy is determined.

### Article 4 Prices

1. Taxes, Duties and Tariffs. Unless otherwise specified on the face of this Sales Order, Customer shall bear the cost of all applicable federal, state, and local taxes, duties and tariffs incurred in connection with the sale of the Goods.
2. The price that Axxor N.A., LLC has quoted for the services to be performed or goods produced, is only valid for the service or goods in accordance with the offer made by Axxor N.A., LLC.
3. Should the goods lie beneath the minimum order size stipulated and made known by Axxor N.A., LLC, customer is obligated to settle administration and transport costs on the goods to be delivered by Axxor N.A., LLC.
4. Axxor N.A., LLC is authorised to change the agreed price unilaterally should one or more of the following circumstances occur after tendering the offer and/or closing the agreement: change(s) in freight and/or customs tariffs, in the costs of raw materials, semi-manufactured products or services/goods that are necessary for the execution of the agreement, changes in enforced costs and/or taxes by the government or, in general, change(s) that are comparable to the foregoing.
5. Axxor N.A., LLC is authorised to raise the price of goods/services to be delivered by it also when the parties have already closed an agreement. In that case, however, customer has the right to proceed to the cancellation of the (call) order and/or agreement within 14 days after the price increase has been made known to the customer. Notwithstanding, the parties are bound to the agreement if Axxor N.A., LLC, thereupon, lets it be known that the service to be performed or goods to be delivered by it will, nevertheless, be carried out against the price first agreed upon.

### Article 5 Intellectual Property

1. Unless otherwise agreed upon, Axxor N.A., LLC retains all copyrights, drawing and model rights and otherwise all possible intellectual titles to ownership with regards to designs, drawings, models, samples, programs provided by it in the framework of negotiations and/or agreements reached, as well as all information that (could be) are the subject of titles to intellectual ownership of whatever nature.
2. The information connected to the rights described under paragraph 1 of this article may never be scanned, copied and/or in whatever way reproduced, circulated nor sold to third parties with or without payment nor given for use without the express written consent of Axxor N.A., LLC, nor may this information be used by customer for other goals - in the broadest sense of the word - than to which Axxor N.A., LLC has provided this information for customer.
3. Should the injunctions or prohibitions mentioned in paragraph 2 of this article be violated, customer is obligated to pay liquidated damages of \$ 50,000.00 to Axxor N.A., LLC without proof of default and/or judicial intervention, undiminished Axxor N.A., LLC's right to claim further losses it may have sustained or seek injunctive relief to halt such use or disclosure.
4. The information intended under paragraph 1 of this article must be returned by the customer at the first request of Axxor N.A., LLC and within the time limit dictated. Should customer let this deadline elapse without making use of it, it is obligated to pay liquidated damages of \$ 1,000.00, undiminished Axxor N.A., LLC's right to claim further losses, without proof of default and/or judicial intervention for each (part of) day that the omission persists.

### Article 6 Delivery and delivery periods/transfer of risk

1. Delivery periods provided by Axxor N.A., LLC may never be considered as final periods, unless expressly agreed upon in writing. The delivery periods indicated by Axxor N.A., LLC are established under the assumption that no obstacles exist which would not allow

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- or make timely delivery impossible. Axxor N.A., LLC is only in default when exceeding the delivery periods if customer declares it liable in writing, whereupon it is offered a reasonable period of time to, nevertheless, observe the agreement.
2. Delivery always takes place free on delivery, to domicile, without the delivered goods being unloaded, or should the customer so wish, in another way in which case all costs will be charged separately. From the moment of delivery, the risk of loss with respect to the delivered goods is transferred to customer, until that moment they are insured by or in the name of Axxor N.A., LLC.
  3. In case customer picks up the goods to be delivered himself, no claim can be made to Axxor N.A., LLC for compensation and the goods are considered delivered from the moment they are offered to the customer at which time the risk of loss with respect to the goods is also transferred.
  4. In all other cases of delivery, except those mentioned in paragraphs 2 and 3 of this article, the risk of loss with respect to the goods to be delivered is transferred to customer from the moment they are placed at the disposal of the carrier by or in the name of Axxor N.A., LLC, which is also the moment when they are presumed to be delivered.
  5. Customer can never claim damages for delivery periods that are exceeded, when the cause for this cannot be attributed to Axxor N.A., LLC.
  6. Should customer for whatever reason, not pick up or receive the goods to be delivered on the agreed delivery date, the goods will be kept at the disposal of customer for a reasonable period of time at the expense of and the risk of customer. In such cases Axxor N.A., LLC has the right to charge storage and insurance costs.
  7. The delivery time indicated by Axxor N.A., LLC is in force from the moment agreement has been reached between the parties about all parts of the agreement, all information/drawings requested by Axxor N.A., LLC have been provided by customer, the agreed (advance) payment has been made and all other necessary conditions set by Axxor N.A., LLC for the execution of the agreement have been met.
  8. Axxor N.A., LLC bases its delivery date on the circumstances as known at that time. Should these circumstances, of whatever nature, change, the delivery time will never be shortened and in the occurring cases lengthened by a period necessary under the changed circumstances to accomplish delivery of the goods agreed upon.
  9. Should, in a situation as described under paragraph 8 of this article, the planning of Axxor N.A., LLC not permit an immediate completion due to delayed delivery under changed circumstances, Axxor N.A., LLC has the express right to defer completion until the planning allows an immediate transaction.
  10. Should the goods and/or raw materials, intended for the manufacture of the goods bought, purchased by customer, be stored upon the request of Axxor N.A., LLC, or in a situation such as described under paragraph 6 of this article, the risk of these goods is transferred at that moment to customer in accordance with the wishes of customer with regard to the storage of the goods.
  11. The liability of Axxor N.A., LLC for damages of whatever nature, arising from the fact that Axxor N.A., LLC exceeds the agreed delivery time, is expressly limited to the rejection of the goods that are subject to any material delay and which cannot be used or sold by customer solely by reason of such delay.

### **Article 7 Packing**

1. The goods to be delivered by Axxor N.A., LLC are provided with a standard disposable or reusable packing. Axxor N.A., LLC decides which will be used.
2. No extra costs are charged for the disposable packing.
3. Should the goods be delivered in a reusable packing, deposit will be charged per unit of goods to be delivered for the reusable packing. Axxor N.A., LLC informs customer on a monthly basis about these costs, which must be settled each month. Returned packing(s) - also damaged ones - remain the property of Axxor N.A., LLC, who will also be responsible for the (return) transportation of this packaging.
4. If, for any reason, it is necessary that Axxor N.A., LLC provide the goods to be delivered with a packing different from the aforementioned (standard) packaging, or should the customer so wish, the costs of this will be charged separately.
5. Customer shall be responsible for and reimburse Axxor N.A., LLC for any damage to the reusable packaging. Axxor N.A., LLC retains ownership of any reusable packaging.

### **Article 8 Payment**

1. Unless otherwise agreed, customer must pay the amounts owed within 30 (thirty) days of the date of invoice.
2. Customer does not have the right to appeal for any discount, credit or deferment (delay) in delivery.
3. Axxor N.A., LLC is authorised to require, before the closing of the agreement, a (whole or partial) advance payment, cash payment or other security.
4. In case of failure to pay, the customer owes an interest of 1 1/2% per month or part of a month, as well as the actually generated (extra) attorneys' fees and expenses and court costs.
5. In case of fractioned deliveries, Axxor N.A., LLC is authorised to demand relative fractioned payments. Should these fractioned payments not (all) be received in the time indicated for it, Axxor N.A., LLC is authorised to defer the fractioned obligations until payment for the goods delivered is effected.
6. In all cases payment must be made before the delivered goods can be lost, deformed, mixed, copied, used in other cases or, otherwise not be recognisable and/or ascertainable as being the good(s) delivered by Axxor N.A., LLC to the Customer.

### **Article 9 Claims**

1. Customer is obligated to inspect the delivered goods and packing immediately on delivery for visible defects and notify possible claims within 8 (eight) days in writing and in a justified manner, omission to do so confirms that the delivered goods are accepted.
2. Other defects have to be notified to Axxor N.A., LLC in writing and in a justified manner immediately after they could reasonably have been detected, or in any case within 3 (three) months of delivery, omission to do so confirms that the delivered goods are accepted.

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3. Manipulation/processing and or the use of the delivered goods by the customer, the handing over to third parties of the delivered goods as well as storage of the goods without fulfilling the normal circumstances as requested by Axxor N.A., LLC, terminate the right to claim.
4. Should Axxor N.A., LLC find the claim(s) legitimate, it is at all times authorised to replace such defective goods with conforming goods, credit customer for the proportional part of the invoice, or credit the customer for the whole in which case the customer shall be obligated to return the defective goods to Axxor N.A., LLC in their original state.
5. If the delivered goods differ from what customer could or might have expected based on the agreement, the whole lot of goods will be checked by Axxor N.A., LLC. If defects are observed in part of the lot, Axxor N.A., LLC, nevertheless, has the right to deliver the remaining part and customer cannot reject the already delivered part which has no defects.
6. Claim does not give customer the right to refuse or defer payment.

### Article 10 Limited Warranty

Unless otherwise specified on the face of this Sales Order, Axxor N.A., LLC warrants that the Goods at time of shipment are: (a) new and unused; (b) free and clear of all liens and encumbrances; (c) in material conformance with all specifications, drawings, or descriptions furnished to Axxor N.A., LLC by Customer and accepted by Axxor N.A., LLC; and (d) of merchantable quality. Axxor N.A., LLC's obligation under this warranty is limited to the replacement of the product or parts thereof which the Axxor N.A., LLC reasonably determines do not conform to these warranties. The warranty shall not apply (a) to Goods not manufactured by Axxor N.A., LLC, (b) to Goods which has been repaired or altered by others than Axxor N.A., LLC, (c) to Goods which has been subject to negligence, accident or damage by circumstances beyond Axxor N.A., LLC's control, (d) to Goods subject to improper storage or to other than normal use or service. The foregoing warranties do not cover reimbursement for labor, transportation, removal, installation or other expenses, which may be incurred in connection with repair or replacement. Any action for a breach of this limited warranty must be commenced within 6 months from the date of delivery.

Should certain guarantees have been provided to the customer by Axxor N.A., LLC, this warranty is restricted, at all times, during the warranty period agreed upon, to replacement or repair of the product (part thereof) delivered to the customer by Axxor N.A., LLC, that has been delivered with defects, unless the defect or incongruity can be blamed on gross fault and/or intention on the part of customer or if the incongruity/defect is the result of customer not (completely) following the instructions for use as given by Axxor N.A., LLC, and/or the result of incorrectly given specifications by customer. Axxor N.A., LLC shall not be responsible for any misuse, neglect, accident, reconfiguration, or alteration of the Goods by Customer or others, or improper installation or use in violation of instructions furnished by Axxor N.A., LLC. Axxor N.A., LLC's liability for any claims or damages relating to the Goods shall be limited to the purchase price of the Goods; in no event shall Axxor N.A., LLC be liable for any consequential, special, or incidental damages, loss, or expenses, or personal injury, directly or indirectly arising from use of Axxor N.A., LLC's products separately or in combination with any other equipment or materials.

**Article 11 Indemnification.** Customer shall indemnify, hold harmless, and defend Axxor N.A., LLC, and its directors, officers, employees, agents, and affiliates from and against any and all costs, claims, suits, liabilities, damages, and expenses of any kind whatsoever (including, but not limited to, court costs and reasonable attorneys' fees), incurred or suffered as a result of Customer's late payment or non-payment (including the costs of collection), misuse or alteration of the Goods, or design of Goods selected by Customer or of custom Goods.

### Article 12 Defects

1. The goods delivered by Axxor N.A., LLC may vary in weight. A margin of 10% with regard to the agreed on weight (in lbs per square foot) is possible and acceptable in which case Axxor N.A., LLC is not liable for claims by Customer that are (only) based on the aforementioned defect(s).
2. In the product heights of 8 - 100 mm a deviation of minimally 0.2 mm to maximally 0.5% of the product height is acceptable.
3. Axxor N.A., LLC reserves the right to deliver for 5% more or less than agreed, in which case both parties must keep to the agreed price.

### Article 13 Call orders

1. The customer is obliged to purchase the goods delivered by Axxor N.A., LLC on call within the agreed relevant periods, if this is not the case, Axxor N.A., LLC reserves the right to proceed with the demand of payment of the outstanding bills as well as the still to be sent bills in the framework of the relevant call order.

### Article 14 Retention of title/Right of pledge

1 Until the purchase price and all other applicable costs and expenses are paid in full, Axxor N.A., LLC reserves a purchase money security interest in the Goods and the proceeds thereof, and Axxor N.A., LLC thereby possesses the rights of a secured party under the Uniform Commercial Code. Upon Axxor N.A., LLC's request, Customer agrees to execute all necessary financing statements and other documents evidencing this security interest with the appropriate state and local authorities. Axxor N.A., LLC is entitled to reasonable access to Customer's place of business as necessary to exercise its remedies as a secured party. A violation of this, on Customer's part, gives Axxor N.A., LLC the right to take back or have brought back, from where they are, all delivered goods, without requiring any authorisation from customer or legal action, at the expense of customer. Also, at that time, any accounts receivable by Axxor N.A., LLC from customer are immediately payable.

2. Customer is obliged to adequately insure the delivered goods that are still in possession of Axxor N.A., LLC against damage, theft, fire and further normal company risks.

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### Article 15 Force Majeure

1. Axxor N.A., LLC cannot be made accountable for shortcomings in the observance of the agreement if these are caused by: acts of God, fires, war, terrorism, riot or insurrection, strikes or differences with or among workmen, government interference, inability to secure transportation, weather conditions, timing of deliveries from Axxor N.A., LLC's vendors or suppliers, or other contingencies beyond Axxor N.A., LLC's control ("force majeure").
2. In case of force majeure, Axxor N.A., LLC is authorized either to annul the agreement or lengthen the delivery time by the time the force majeure endures plus five work days, without this binding Axxor N.A., LLC to settle any damage of any kind to customer.

### Article 16 Annulment and deferment

1. Axxor N.A., LLC is authorized to annul the agreement and/or defer the execution of the agreement without judicial intervention, in which case customer is liable for all subsequent damage suffered by Axxor N.A., LLC, if:
  - a. Customer does not comply with its (payment) responsibilities in a timely fashion nor follows up on a proof of default with reasonable assurances or full payment.
  - b. Customer is declared bankrupt, applies for a suspension of payment or liquidates its company as a whole or partially.
  - c. in case of seizure and/or foreclosure on (a part of) the assets of customer, such includes the goods delivered by Axxor N.A., LLC but not yet (fully) paid.
2. In the above mentioned cases all obligations of customer to Axxor N.A., LLC are immediately payable.
3. Annulment by customer is expressly precluded, except in case of intent or gross fault on the part of Axxor N.A., LLC.

### Article 17 Liability

1. The liability of Axxor N.A., LLC concerning the agreement with customer is limited to that amount that would be settled by the insurer of Axxor N.A., LLC in that particular case. Should Axxor N.A., LLC's insurer, for whatever reason, not provide coverage and/or not proceed to (complete) settlement or if the risk occurred is not insured by Axxor N.A., LLC, liability of Axxor N.A., LLC is precluded for damage of whatever nature and/or size unless that damage can be alleged to intent or gross fault on the part of Axxor N.A., LLC.
2. Axxor N.A., LLC is never liable for damage of whatever nature, that occurs because of or after customer has taken into use the manufactured goods, has manufactured or processed, delivered to third parties, respectively has given in use, has had manufactured or processed, or has had delivered to third parties.

### Article 18 Governing Law and Venue.

This Sales Order shall be construed in accordance with, and governed by, the internal laws of the Commonwealth of Virginia, without regard to that state's choice of law principles. Any action brought in connection with this Sales Order or the Goods shall be brought only in the federal or state courts located in Pittsylvania County. Customer irrevocably submits to the personal jurisdiction of such courts, and waives any objection it may have concerning the venue or convenience of such forums.

**Article 19 Assignment.** Customer shall not assign any of its rights, or delegate any of its duties, under any agreement with Axxor N.A., LLC without the prior written consent of Axxor N.A., LLC, and any attempt to do so shall be void.

### Article 20 Final article

1. These general conditions replace all previous ones.

R. Boerrigter