

TERMS AND CONDITIONS OF KARGRO RECYCLING B.V.
("Kargro Recycling Terms")

1. Definitions

- 1.1 'Seller' means Kargro Recycling B.V.
- 1.2 'Buyer' means the contracting party of Seller.

2. Establishment of agreement

- 2.1 The agreement between Seller and Buyer shall be established and shall bind Seller only if Seller has confirmed it in writing or has started performing the agreement.
- 2.2 Product specifications and samples produced or provided by Buyer shall be solely for guidance and shall not be binding unless expressly agreed by parties in writing.
- 2.3 The Terms and Conditions of Kargro Recycling B.V. shall govern all agreements between Seller and Buyer and also offers and/or pre-contractual relationships between parties.

3. Prices

- 3.1 Unless a binding price has been agreed, the prices in the offer of Seller valid on the day of delivery shall apply. Selling prices shall be stated exclusive of VAT, other taxes, duties, shipment costs and insurance charges.
- 3.2 Seller shall have the right to add to the price already agreed by parties any increases in factors that determine cost price.

4. Delivery

- 4.1 Delivery shall always take place ex-warehouse/ex-factory of Seller. After delivery, all risks attached to the delivered goods shall be for Buyer in all instances.
- 4.2 Stated delivery times/dates shall never constitute deadlines. Seller shall always have the right to make partial deliveries.

5. Force majeure

- 5.1 As used here force majeure means any failure not imputable to Seller through misconduct, law, a legal act or societal views.
- 5.2 Force majeure includes but is not confined to war, impending war, insurgency, fire, loss or theft of tools/materials, etc., factory breakdowns, strikes, blockades, import or trade restrictions, lockouts, traffic disruptions, disrupted supplies of raw

materials/semi-manufactures, illness of personnel, failure by suppliers/contractors to meet their obligations or meet them on time.

- 5.3 The occurrence of force majeure shall give Seller the right, without recourse to the courts, to suspend fulfilment of the agreement or any part thereof or to dissolve the agreement (in part or in full) without owing compensation for damage.

6. Security

- 6.1 At any time, Seller shall have the right to require additional/extra security from Buyer for the fulfilment of existing or future obligations. If Buyer refuses or fails to provide such security within the time set by Seller, Seller shall have the right to dissolve the agreement without owing compensation for damage.
- 6.2 To the extent that Seller has already delivered goods to Buyer, Buyer shall return them to Seller within two working days of being requested to do so. Buyer shall further be under obligation to reimburse any damage incurred by Seller through such refusal or failure.

7. Payment

- 7.1 All invoices shall be paid within thirty days without any right of Buyer to suspend or set off payments.
- 7.2 From the time of default, Buyer shall owe over the entire amount late payment interest at a rate of 1.5% per month (or part of a month).
- 7.3 If Seller initiates debt collection Buyer shall reimburse all out-of-court costs at the debt collection rate set by the Dutch Law Society, subject to a minimum of €150,000 exclusive of VAT. Buyer shall further reimburse the costs of debt collection through the courts, such as attachment costs and the costs of a petition for bankruptcy.
- 7.4 Barring evidence to the contrary, the administrative data kept by Seller shall in principle determine the financial scale of the reciprocal obligations under agreements concluded with Seller.
- 7.5 If Buyer defaults on any payment obligation towards Seller, Buyer shall be in default in respect of all payables, including those not yet at the due date. In such instances, Seller shall have the right to assign the payables not yet due. All obligations of Buyer shall become due immediately in the event of liquidation, bankruptcy, suspension of payments or application of the statutory debt repayment scheme.

8. Reservation of title

- 8.1 All goods delivered by Seller shall remain its property until Buyer has fulfilled all obligations towards Seller.
- 8.2 If goods delivered by Seller are used to create new goods, Seller's reservation of title shall extend to the newly created goods. Buyer shall hold the newly created goods for Seller. Buyer shall not become the owner until the reservation of title expires through Buyer's fulfilment of all obligations, in particular, all payment obligations.

- 8.3 Buyer shall keep all goods delivered by Seller apart and separated from other goods and shall store and keep them identifiable as delivered by Seller so as to rule out any mixing of goods and to enable Seller to exercise its reservation of title at all times.
- 8.4 Buyer shall treat the delivered goods with due care and attention. Buyer shall insure the goods against all perils based on their invoiced value. At the first request, Buyer shall provide Seller with the names and addresses of the insurers and provide copies of the insurance policies. At Seller's first request Buyer shall further establish a silent lien on claims arising on the insurer.

9. **Quality and complaints**

- 9.1 For a period not exceeding six months after delivery, Seller shall warrant the soundness of the delivered goods and the constituent materials, provided that the goods are saved and/or used normally and judiciously in accordance with the directions and for the purpose for which they were manufactured. The delivered goods and the materials used for them shall always be deemed fit for purpose if there is compliance with government regulations that define the nature or quality of the used materials or the delivered goods or that in some other way set standards in this regard.
- 9.2 On delivery of the goods Buyer shall without delay do everything necessary to determine that the goods delivered by Seller correspond with what Buyer ordered. If Buyer has already started to use (or commissioned the use) of the delivered goods or has processed them (or commissioned their processing), Buyer shall forfeit the right of recourse to the circumstances that the goods fail to correspond with what Buyer ordered, without prejudice to the provisions made in paragraphs 3, 4 and 5 of this Article.
- 9.3 Complaints about quantities, dimensions, weights, quality, composition and other defects in delivered goods or services shall be reported to Seller in writing immediately, insofar as dictated by the nature of the goods, and in all other cases within fourteen days of delivery of the goods, otherwise all rights and/or claims shall be forfeited.
- 9.4 If delivered goods are found within six months of their delivery to have a latent defect that was not easily discoverable, Buyer shall contact Seller in writing within fourteen days of discovering the defect, in the absence of which all rights and/or entitlements shall be forfeited.
- 9.5 Unless parties have agreed on a different tolerance in writing, Buyer shall accept a tolerance of 10% on the delivered quantities and dimensions.
- 9.6 Goods may be returned to Seller only if Seller has consented to their return and the method of shipment. The goods shall remain the risk of Buyer.
- 9.7 Complaints shall never suspend the payment obligations of Buyer.

10. **Limitation of liability/Product liability risk**

- 10.1 Seller shall not be bound to provide any compensation beyond repair or replacement of the delivered goods in cases where Seller is liable.

- 10.2 Except in instances of intent or deliberate recklessness on the part of Seller, Seller shall not be liable in particular for any direct or indirect damage incurred by Buyer or by third parties, including consequential damage, lost profits, lost time, damage to persons or property, non-material damage, damage caused by subordinates, agents and/or subcontractors of Seller – even if such damage is attributable to intent and/or gross negligence on their part – and damage caused by use of ancillary items.
- 10.3 Without prejudice to the foregoing, the total liability of Seller shall always be limited to the amount paid out by the insurer in the case in question, in cases where an insurer covers Seller. If there is no insurance, if the insurance provides no cover or if the insurer does not pay out, the total liability of Seller shall be limited to the invoiced amount of the delivered goods exclusive of VAT.
- 10.4 If Buyer resells, delivers or otherwise makes available or transfers the delivered goods to a third party or if the goods delivered in part by Seller constitute new goods, and these goods are resold, delivered or otherwise made available or transferred to a third party, Buyer is obliged (a) to purchase adequate insurance against product liability risk as referred to in Book 6, Section 185 of the Dutch Civil Code and (b) to enforce Buyer's obligations towards Seller and Seller's rights on that third party as set out in these general terms and conditions. Buyer shall send Seller at its first request a copy of the insurance policy concerned. If Buyer fails to comply with the obligation referred to in (b), Buyer shall be liable for Seller's resulting damages. The limitations of liability of this Article 10, including those of Article 10.5, do not apply in this case.
- 10.5 Any liability beyond the provisions made in this Article 10 is expressly excluded.
- 10.6 Buyer shall indemnify Seller, its subordinates and its engaged third parties against all third-party claims, including those related to defects in goods delivered by Seller, except in the case of intent or deliberate recklessness on the part of Seller.

11. **Dissolution**

- 11.1 In all instances where Seller dissolves an agreement with Buyer by written notification, Buyer shall reimburse Seller for all damages, costs and lost profits. Buyer shall further return all delivered goods to Seller in the condition in which they were delivered by Seller. If Buyer is unable to do so, Buyer will not return the goods delivered, unless Seller indicates otherwise, but will compensate Seller for the value of the goods delivered and any resulting damage suffered by Seller. The goods shall remain the risk of Buyer until Seller has received and accepted them.
- 11.2 The obligation referred to in paragraph 11.1 shall not apply if Seller has dissolved the agreement under the provisions made in Article 5.
- 11.3 If the agreement is dissolved, all receivables due from Buyer shall immediately become payable on demand and Seller shall retain its entitlements to compensation for damage and indemnification.

12. **Infringement of third-party rights**

- 12.1 To the extent that Seller produces goods under the agreement according to directions or drawings provided by Buyer or by means of its moulds or forms, Buyer warrants that there shall be no infringement of any intellectual property rights of third parties. Such an infringement shall give Seller the right to dissolve the agreement.
- 12.2 Buyer shall always indemnify Seller against any claims of third-party right-owners in connection with such infringements.

13. **Special goods**

- 13.1 Unless expressly otherwise agreed, Seller shall have the right also to make for third parties any special goods made for Buyer.
- 13.2 Buyer shall approve samples of special goods within fourteen days of their shipment. Samples shall be deemed approved if Seller has not received notice of rejection after fourteen days.

14. **Applicable law**

- 14.1 Any disputes arising between Seller and Buyer shall be governed by the laws of the Netherlands.
- 14.2 Any disputes shall be resolved by a court of law with jurisdiction at the place of the registered office of Seller. Seller is the only party that may opt for a different court of law.

15. **Citation**

- 15.1 These Terms and Conditions may be cited as 'Kargro Recycling Terms'. This version contains the text prevailing at 10 April 2018.

16. **Specific delivery terms for rubber crumb infill for artificial grass pitches.**

- 16.1 The conditions in this Article apply exclusively to the delivery of rubber crumb infill for use in artificial grass pitches in the Netherlands (hereinafter, the "Rubber Crumb").
- 16.2 Seller warrants that:
 - a. It is a recycling company certified by *Stichting Band en Milieu* (Tyre & Environment Foundation);
 - b. On departure from the factory, the rubber crumb delivered complies with the compositional requirements (hereinafter, the "Compositional Requirements") set out at the time of delivery in the applicable version of the "Additional delivery terms for rubber crumb infill for artificial grass pitches" (hereinafter, the "Additional Delivery Terms") provided with the estimate and sent on request.
- 16.3 Seller does not make any further representation or warranty regarding the quality, suitability or fitness of the Rubber Crumb supplied. Rubber Crumb that meets the Compositional Requirements shall be deemed suitable. The representation and

warranty made in the first sentence of Article 9.1 does not apply to delivered Rubber Crumb.

- 16.4 Seller shall examine on a weekly basis whether the produced Rubber Crumb meets the Compositional Requirements. Where the Rubber Crumb does not, and if this results in Seller's inability to meet, in whole or in part, its delivery obligations in respect of a Rubber Crumb batch, Seller shall inform Buyer of this as soon as possible, and that batch shall not be delivered. In this case, Seller's delivery obligation with respect to that batch shall expire and the underlying agreement or relevant part thereof shall be dissolved without Buyer being entitled to compensation or any other form of set-off.
- 16.5 In accordance with Article 9.2, Buyer may, at its own expense and only prior to delivery, carry out its own tests or have them carried out at Seller's premises to determine whether the Rubber Crumb meets the Compositional Requirements.
- 16.6 If Buyer does not carry out these tests and/or purchases the Rubber Crumb, Buyer shall be deemed to have accepted the Rubber Crumb. In this case, Buyer may not claim that the Rubber Crumb purchased does not meet the Compositional Requirements. For defects other than the composition or quality of the Rubber Crumb, the complaint period stated in Article 9.3 shall apply, with the understanding that this may not result in the return of Rubber Crumb that has already been resold, processed, or scattered. Article 9.4 does not apply.
- 16.7 If Buyer's own tests show that the Rubber Crumb does not meet the Compositional Requirements, Buyer must inform Seller of this in writing prior to delivery, submit test reports confirming this fact and comply with the provisions of the Additional Delivery Terms, at the risk of forfeiting any rights and/or claims in this respect. If the findings of these test reports are valid, Seller's delivery obligations shall expire and the underlying agreement or relevant part thereof shall be dissolved. There is no right to further compensation or any other form of set-off. Buyer shall not be entitled to compensation for the costs of the tests carried out by it or on its behalf.
- 16.8 In the event of a conflict between this Article 16 and the other articles of these general terms and conditions, this Article 16 shall prevail.