GENERAL SALES CONDITIONS
Registered on January 30th, 1997 at Kamer van Koophandel en Fabrieken voor Rotterdam en de Beneden-Maas

ARTICLE 1 Definition
The buyer in these general conditions is the contracted party with which De Morny International B.V. has made an agreement to buy and sell.

ARTICLE 2 Application
These conditions are valid for every offer from De Morny International B.V., hereafter to be called DMI, for which DMI has declared these conditions to be applicable, in as far as these conditions have not been refused by the parties explicitly and in writing.

ARTICLE 3 Offers
Offers made by DMI are valid for 8 days unless otherwise stated. DMI is only bound by an offer if this has been made in writing and the acceptance by the buyer has been confirmed in writing within the above-mentioned 8 days. Verbal offers can only become binding for DMI in as far as DMI, after acceptance by the buyer, has confirmed these in writing.

ARTICLE 4 Delivery
4.1 Unless otherwise agreed, delivery takes place ‘Delivered Duty Paid’ according to current Incoterms. DMI keeps the buyer informed in good time, of the period within which the delivery should take place.
4.2 The time of delivery is 7-10 days after the risk is transferred to the buyer, depending on the sort or articles, whenever the buyer has failed to co-operate with the delivery of which he has been informed in good time, mentioned at the end of this article.
4.3 Whenever the failure to accept the articles within the period indicated in article 4 clause 4, then these remain at his disposal and will be stored at his cost and risk. In that case the delivery will be regarded as having taken place and DMI has the right to claim the agreed purchase price.

ARTICLE 5 Delivery time
An agreed delivery time is not a deadline, unless explicitly otherwise agreed. If the delivery is not on time the buyer should declare DMI in default in writing.

ARTICLE 6 Weight and quantity
The amounts stated on the certificate of tonnage by DMI decide the amount delivered. If such a certificate of tonnage is not available then the amounts stated by DMI on the invoice are the determining factor.

ARTICLE 7 Ownership restriction
7.1 The articles delivered by DMI remain the property of DMI until all the FOB risk is fulfilled all the obligations arising from all sales agreements made with DMI:
- reciprocal action regarding the delivered, or to be delivered article/articles themselves,
- possible claims because of failure by the buyer to keep to the agreed sales agreement(s).
7.2 Articles delivered by DMI, which according to clause 7.1 are included in the ownership restriction may only be sold to third parties as part of normal business practice. The buyer is not authorized to hypothecate the articles or to vest them with any other rights.
7.3 If the buyer does not fulfill his obligations or if there are grounds to fear that he will not do so, DMI is entitled to remove or have removed delivered articles on which the clause 7.1 is applied.
7.4 If the buyer has sold the articles under ownership restriction from the buyer or from third parties who are keeping the article for the buyer. The buyer is obliged to co-operate in this under penalty of a line of 10% of the amount he owes per day.
7.5 If third parties wish to establish or assert any rights to the goods delivered under ownership restriction, the buyer is obliged to inform DMI of this by return.
7.6 The buyer is obliged on the first request of DMI:
- to insure and to keep insured the articles delivered under ownership restriction against fire, explosion and water damage and against theft and loss to this insurance policy.
- to hypothecate to DMI all claims of the buyer on the insurers relating to the articles delivered under restriction of ownership as is prescribed in art. 3:239 BW.

ARTICLE 8 Price
8.1 All prices mentioned are ex warehouse and exclusive VAT and packaging, unless otherwise indicated.
8.2 DMI is always entitled to charge the buyer increases in the cost price caused by taxes and tariffs brought in or raised by the government.

ARTICLE 9 Payments
9.1 Payment should take place within 30 days after the date of the invoice by transfer to a bank or giro account indicated by DMI.
9.2 DMI is entitled to ask for securities from the buyer when making the agreement for the fulfillment of his obligations.
9.3 Claims by DMI on the buyer are immediately claimable in the following cases:
- in the case of liquidation, bankruptcy or a suspension of payment of the buyer,
- if the buyer does not fulfill the agreement DMI learns of circumstances which give DMI good grounds to fear that the buyer will not fulfill its obligations,
- if DMI has asked for securities at the time of making the agreement and these securities fail to appear or are insufficient.
9.4 Payment should take place in full, without reduction.
9.5 Payments by the buyer are always destined in the first place to settle all interest and costs owed, and in the second place accounts due which have been longest outstanding, even if the buyer has indicated a different allocation.

ARTICLE 10 Cost of collection of debts
10.1 If the buyer is in default or neglects to fulfill one or more of his obligations, then all reasonable costs for gaining extrajudicial satisfaction are for the buyer with a minimum of 15% of the amount owed.
10.2 The buyer is in all cases liable to DMI for all legal costs incurred by DMI, except in as far as the buyer shows that these are unreasonable high. This is only the case if DMI and the buyer have entered into a legal procedure regarding an agreement for which these general conditions are applicable and where a definitive legal judgement is in force in which the buyer fully or for the most part is at fault.

ARTICLE 11 Packaging
11.1 If packaging is supplied by DMI on loan, then the packing conditions of the ‘Nederlandse Chemische Industrie’ (Dutch Chemical Industry) and the ‘Verbond van Handelaars in Chemische Producten’ (Association of Dealers in Chemical Products) are applicable: the conditions are part of these general conditions and the text is available from DMI on the request of the buyer. If the buyer does not fulfill his obligations regarding packaging, then he is liable for all costs arising from this. Such costs include for instance cost arising from goods returned too late and costs for replacement, repair or cleaning.

ARTICLE 12 Circumstances beyond one’s control
12.1 Circumstances beyond the control of DMI refer to circumstances which hinder the fulfillment of the agreement, and which cannot be attributed to DMI by law, judicial act or common interpretations in trade. Under these are included for instance: strikes in companies other than DMI; unofficial or political strikes in the company DMI; a general lack of the necessary raw materials and other necessary articles or services for the completion of the agreed performance unforeseeable stagnation with suppliers or other third parties on which DMI is dependent and general transport problems.
12.2 DMI also has the right to call upon circumstances beyond their control, if the circumstance which hinders (further) fulfillment, takes place after DMI should have fulfilled their obligations.
12.3 During circumstances beyond their control, delivery and DMI’s other obligations will be suspended. If the period in which circumstances beyond their control make it impossible for DMI to fulfill their obligations lasts longer than 14 days, both parties are authorized to dissolve the agreement, without incurring any damages.
12.4 If when the circumstances beyond their control occur DMI have already partly fulfilled their obligations, or can only partly fulfill their obligations, DMI is authorized to send an invoice for the part already delivered or to be delivered and the other party has to meet this invoice as if it concerned a separate contract; however not the case if the part already delivered or to be delivered does not have an independent value.

ARTICLE 13 Faults, complaints, time-limits
13.1 The buyer should inspect the articles bought, or have them inspected at the time of delivery. The buyer should find out:
- if the quantity of the delivered articles is that agreed upon,
- if the delivered articles meet the agreed technical specifications or samples supplied.
13.2 If the buyer finds faults or deficiencies on the basis of article 13 clause 1, he should report this in writing within 8 days after delivery on pain of losing all ‘consumer’ rights.
13.3 In the case of that described in the previous article, DMI is still obliged to deliver according to the agreement, on the understanding that a difference in weight of either 10% above or 10% below is acceptable.
13.4 Even if the buyer complains in time, his obligation to pay and accept completed order remains. Articles can only be returned to DMI after previous written permission.
13.5 DMI does not guarantee the suitability or practicability of the material delivered for any purpose of the buyer, not even if this is made known to DMI.
13.6 DMI is not responsible for damage of any kind through any cause to the articles delivered, or damage to persons either in the employ of the buyer or not, brought about by the buyer having entered into a legal procedure regarding an agreement for which these general conditions are applicable and where a definitive legal judgement is in force in which the buyer fully or for the most part is at fault.

ARTICLE 14 Terminating the agreement
DMI is authorized to dissolve the agreement if circumstances arise relating to persons or material which DMI is making use of or usually makes use to carry out the agreement, these circumstances being such that carrying out the agreement is impossible or becomes to difficult and/or unreasonably expensive, that fulfilling the agreement can no longer be reasonably demanded. This includes if DMI does not succeed in obtaining the material to be delivered on reasonable terms from their supplier.

ARTICLE 15 Qualified judges; applicable law
15.1 All differences between DMI and the buyer will be settled by the regular judge in Rotterdam, with the understanding that DMI is always authorized to bring a difference before a judge authorized according to the 3:239 BW regulations.
15.2 Dutch law is applicable to every agreement between DMI and the buyer.