

General Terms and Conditions of:

Bailey Electric & Electronics B.V.
Everdenberg 21
4902 TT Oosterhout NB
The Netherlands

Chamber of Commerce No. for Zuid West Nederland: 181293450000

(AS 133C-12)

Article 1: Applicability, definitions

1. These Terms and Conditions apply to any offer and to any contract of sale and purchase of Bailey Electric & Electronics B.V., established in Oosterhout NB, hereinafter to be referred to as “the User”.
2. The buyer shall be referred to as “the Other Party”.
3. A number of provisions in these General Terms and Conditions relate to a natural person who does not act in the capacity of a profession or a company. The Other Party shall be referred to as “the Consumer” in the context of these provisions.
4. “In writing” for the purposes of these General Terms and Conditions shall mean: by letter, e-mail, fax or any other mode of communication that is regarded as equivalent to writing in view of advances in technology and conventional practices.
5. The possible invalidity of (any part of) a provision contained in these General Terms and Conditions shall not affect the validity of the remaining provisions.
6. In the event of a discrepancy or conflict between these General Terms and Conditions and a translation hereof, the Dutch text shall prevail.
7. These General Terms and Conditions shall also apply to subsequent orders and part orders flowing from the agreement.
8. A lasting business relationship shall exist if the User has already handed these General Terms and Conditions several times to the Other Party. If this is the case, the User shall not be obliged to produce these General Terms and Conditions in order for them to apply to each new agreement.

Article 2: Offers, proposals, prices

1. Each offer and each proposal by the User is in force during the term referred to in the offer or proposal. An offer or proposal without a validity term is without engagement. The User is entitled to withdraw an offer or a proposal if this offer or proposal is without engagement, within 2 working days after receipt of the acceptance at the latest.
2. The prices stated in offers, proposals or price lists are exclusive of BTW (Dutch VAT) and possible costs, such as transport costs, shipping costs, administrative costs, handling fees and expense claims of third parties engaged.
3. A composite offer or proposal does not oblige the User to deliver part of the offered performance against a corresponding part of the price.
4. If the offer or proposal is based on information provided by the Other Party and this information appears to be incorrect or incomplete or should change at a later date, the User shall have the right to adjust the prices and/or delivery terms stated.
5. The offer, the proposal and the prices do not automatically apply to repeat or partial orders.
6. Samples and models that are displayed and/or provided and specifications of colours, dimensions, weights and other descriptions in brochures, promotional material and/or on the User’s website shall be as accurate as possible but shall only be intended as a guide. The Other Party may derive no rights from these.

7. The samples and models provided shall remain the property of the User and must be returned to the User on demand at the expense of the Other Party.
8.
 - a. If (cost) price increasing circumstances occur at the expense of the User between the date of concluding the agreement and the execution thereof, due to legislation and regulations, government measures, currency fluctuations or price changes of the required materials and/or raw materials, the User shall have the right to increase the agreed prices and charge these to the Other Party.
 - b. In the event of price increases within three months of establishing the agreement, the Consumer shall be entitled to dissolve the agreement giving notice in writing. If the Consumer does not inform the User of its intention to use its right to dissolve the agreement within 14 days of notification of the price change, the User may assume that the Consumer has agreed to the price change.

Article 3: Establishing agreements

1. The agreement is established after the Other Party has accepted the offer of the User, also if this acceptance deviates on secondary issues from this offer. However, when the acceptance of the Other Party shall deviate in essential aspects, the agreement shall only be concluded if the User has explicitly agreed with these deviations in writing.
2. The User shall only be bound to:
 - a. an order without prior offer thereto;
 - b. oral agreements;
 - c. additions to or changes of the General Terms and Conditions or agreement;after written confirmation to the Other Party or as soon as the User - without objection of the Other Party - has started the performance of the order or arrangements.

Article 4: Engaging third parties

If required for the proper execution of the agreement according to the User, it shall have the right to have specific deliveries carried out by third parties.

Article 5: Obligations of the Other Party

1. The Other Party must ensure that it shall make all information required for the execution of the agreement available to the User in time and in the manner required by it, and that the information is correct and complete.
2. The Other Party may only sell on items delivered by the User in the original packaging from the User or its supplier. The Other Party may make no changes to the original packaging and shall prevent any damage.
3. If the above obligations are not fulfilled in full or on time, the User shall have the right to suspend the execution of the agreement until the time that the Other Party has fulfilled its obligations. The costs in connection with the delay obtained and the other consequences arising from this shall be at the expense and risk of the Other Party.
4. If the Other Party fails to comply with its obligations and the User fails to require performance by the Other Party, it shall not affect the User's right to require performance at a later date.

Article 6: Delivery, delivery terms

1. Agreed delivery terms shall never be considered as strict deadlines. If the User fails to meet its delivery obligations in full or on time, the Other Party must give notice of default to him and grant reasonable time to meet these delivery obligations at a later date.

2. The User is entitled to deliver in phases, whereby each partial delivery may be invoiced separately.
3. The risk concerning the items to be delivered shall pass to the Other Party at the time of delivery. This is the moment that these items to be delivered will leave the premises, the warehouse or the shop of the User, or the moment that the User has informed the Other Party that it may collect the items.
4. Contrary to the previous paragraph, the moment of delivery for Consumers is the moment that the items are in fact at their disposal.
5. Dispatch or transport of the items shall take place at the expense and risk of the Other Party in a manner to be decided by the User. The User is not liable for any damage of whatever nature – whether or not to the items themselves – that is related to the dispatch or the transport.
6. Contrary to the previous paragraph, for Consumers the dispatch or transport of the items shall take place at the risk of the User, but at the expense of the Consumer.
7. If the User delivers the items itself to the Other Party, the risk of the items will pass at the moment that these items arrive at the Other Party's location and are in fact at its disposal.
8. If it appears impossible, due to a cause within the risk area of the Other Party, to deliver the items ordered (in the agreed manner) to the Other Party, or if these items are not collected, the User shall have the right to store the items at the expense and risk of the Other Party. The Other Party should enable the User after giving notice of the storage, within a term to be fixed by the User, to deliver the items within the term fixed or collect the items within this term.
9. If the Other Party still fails to meet its purchase obligation after the term referred to in the previous paragraph, it shall be immediately in default. The User shall then have the right to fully or partially terminate the agreement with immediate effect by a written statement and to sell the items to third parties without the User being obliged to compensate any damage, cost or interest arising from this. The aforesaid shall not affect the Other Party's obligation to compensate any (storage) costs, loss due to delay, lost profits or any other damage or the right of the User to claim fulfillment at a later date.
10. An agreed delivery term will not take effect until the moment that the User has received all information required for the delivery and the possible agreed (advance) payment of the Other Party. If delay arises from this, the delivery term shall be extended accordingly.

Article 7: Packaging

1. Packaging that is designated to be used several times shall remain the property of the User. This packaging may not be used by the Other Party for any purpose other than for which it is designated.
2. The User shall determine if the packaging must be returned by the Other Party or that it shall collect the packaging itself and at whose expense it will be conducted.
3. The User is entitled to charge the Other Party a fee for this packaging. If the packaging is returned by the Other Party for free within the term agreed, the User must take back this packaging and pay back the fee charged for this to the Other Party or deduct it from the fee that the Other Party has to pay for packaging on the following delivery. The User shall at all times have the right to deduct a 10% handling fee from the amount to be paid back or settled.
4. If the packaging is damaged, incomplete or has been destructed, the Other Party shall be liable for the damage and its entitlement to a repayment of the fee shall lapse.
5. If the damage referred to in the previous paragraph is higher than the fee charged, the User shall not have to take back the packaging. The User shall then have the right to charge this to the Other Party at cost price, deducted by the fee paid by the Other Party.
6. Packaging for single use does not have to be taken back by the User and may be left at the Other Party's. Possible costs for removal shall be at the expense of the Other Party.

Article 8: Complaints and returns

1. The Other Party is obliged to check the delivered items immediately after receipt and to state any visible failures, defects, damage and/or deviations in numbers, on the consignment note or on the accompanying note. In the absence of a consignment note or an accompanying note, the Other Party must report the failures, defects etc. within 2 working days after receipt of the items to the User, followed by a written confirmation thereof. In the absence of such a report, the items are deemed to have been received in good condition and to meet the agreement.
2. Other complaints must be reported to the User in writing immediately after discovery – yet ultimately within the agreed guarantee period. The Other Party shall bear all risks of failing to report directly. If no explicit guarantee period has been agreed, the period of one year following delivery shall apply.
3. If a complaint has not been lodged with the User within the terms referred to in the previous paragraphs, it is not possible to make a claim under the agreed guarantee.
4. Items ordered shall be delivered in the (wholesale) packaging in stock at the User's and/or the minimum quantities or numbers. Small differences in view of specified measures, weights, numbers, colours etc., acceptable within the industry, are not considered as failures on the part of the User. In such event it is not possible to make a claim under the guarantee.
5. Complaints shall not suspend the Other Party's payment obligations.
6. The previous paragraph does not apply to the consumer.
7. The Other Party must give the User the opportunity to investigate the complaint and must provide all information to the User that is relevant for the complaint. If the items need to be returned for investigating the complaint, this will be at the expense of the Other Party unless the complaint appears well-founded. The transport risk will always be borne by the Other Party.
8. In all cases, returning the items shall take place in a manner to be determined by the User and in the original packaging or deposit packaging.
9. No complaints can be lodged in respect of imperfections in or characteristics of items produced from natural materials, if these imperfections or characteristics are inherent to the nature of these materials.
10. No complaints can be lodged about discolourations and small colour deviations.
11. No complaints can be lodged about items that have changed in nature and/or composition or that have been fully or partially treated or processed.

Article 9: Guarantees

1. The User shall ensure that the agreed deliveries are carried out appropriately and in accordance with the standards applicable in its sector, but shall never give further guarantee in respect of these deliveries than explicitly agreed between parties.
2. The User shall be responsible during the guarantee period for the usual quality and reliability of the items delivered.
3. If the manufacturer or supplier provides a warranty for the items delivered by the User, this warranty shall apply in the same manner between the parties. The User shall inform the Other Party in this regard.
4. If the purpose for which the Other Party wishes to treat, process or use the items differs from the customary use of these items, the User shall only guarantee that the items are suitable for this purpose if it has confirmed so in writing to the Other Party.
5. No claim can be made under the guarantee until the Other Party has paid the price agreed for the items.
6. The previous paragraph does not apply to the consumer.
7. If the Other Party rightly makes a claim under the guarantee, the User shall take care of the repair or replacement of the items - at its own discretion - or refund or reduce the agreed price. If there is any

additional damage, the provisions set out in the Liability Article of these General Terms and Conditions shall apply.

8. Contrary to the previous paragraph, the Consumer may choose between the repair or replacement of the items, unless this cannot reasonably be required from the User. Instead thereof, the consumer may at all times terminate the agreement by written statement or desire a discount on the agreed price.

Article 10: Liability

1. The User shall accept no liability other than the guarantees explicitly agreed or given by the User.
2. Subject to the provisions of the previous paragraph, the User is only liable for direct damage. Any liability of the User for consequential damage such as trading losses, loss of earnings and/or losses sustained, damage caused by delay and/or personal or bodily injury shall be expressly excluded.
3. The Other Party must take all measures needed to prevent or limit the damage.
4. If the User is liable for the damage suffered by the Other Party, the User's liability for compensation shall at all times be restricted to the maximum amount paid by the insurer where appropriate. If the insurer does not pay or if the damage is not covered by the insurance taken out by the User, the User's liability for compensation shall be limited to the invoice amount of the delivered items.
5. The Other Party must sue the User within 6 months at the latest after the damage it has suffered has become known to it or should have become known to it.
6. Contrary to the previous paragraph, a period of 1 year applies to the Consumer.
7. The User is not liable and the Other Party cannot make a claim under the applicable guarantee, if the damage has arisen due to:
 - a. improper use or use contrary to the purpose for which the items delivered were intended or the directions, advice, operating instructions, leaflets, etc. provided by or on behalf of the User;
 - b. by incompetent safekeeping (storage) or maintenance of the items;
 - c. by errors or incompletenesses in the information provided to the User by or on behalf of the Other Party.
 - d. instructions or directions from or on behalf of the Other Party;
 - e. due to the choice of the Other Party, which deviates from the User's advice and/or what is customary;
 - f. the choice made by the Other Party in respect of the items to be delivered.
 - g. repairs or other work or processing being carried out on the items delivered by or on behalf of the Other Party without express, prior, written approval from the User
8. The Other Party is fully liable for all damage arising from this in all cases listed in the previous paragraph, and indemnifies the User explicitly against any claims from third parties to compensate this damage.
9. The limitations of the liability stated in this article shall not apply if the damage is due to intent and/or recklessness by the User or its supervisory staff on a management level or if mandatory legal provisions oppose this. Only in these cases shall the User indemnify the Other Party against any third party claims.

Article 11: Payment from other companies

1. The User is always entitled to require (partial) advance payment or any other security for payment by the Other Party.
2. Payment must take place within an expiry period of 30 days after the invoice date, unless parties have agreed a different payment term in writing. The invoice shall be considered correct if the Other Party has not contested it within this payment term.

3. If an invoice is not fully paid after expiry of the term referred to in the previous paragraph or if it was not possible to pay the amount by direct debit, the Other Party is due to the User a default interest of 2% per month, to be calculated cumulatively over the principal sum. Parts of a month are computed as a full month.
4. If the Other Party still fails to pay after receiving notice, the User will furthermore have the right to charge the extrajudicial collection costs to the Other Party, amounting to 15% of the invoice sum, with a minimum of € 150.00.
5. In the absence of full payment by the Other Party, the User shall have the right to terminate the agreement without further notice of default by a written statement or to suspend its obligations under the agreement until the Other Party has made full payment or provided appropriate security. The User shall also have the aforementioned right of suspension if it has legitimate grounds to doubt the Other Party's creditworthiness even before the Other Party enters into default regarding payment.
6. Payments made by the Other Party will first be deducted by the User from all interest and costs due and then from the due and payable invoices that have been outstanding longest, unless the Other Party has stated in writing on payment that it concerns a later invoice.
7. The Other Party may not deduct any claims of the User from any reclamations that it has on the User. The aforesaid also applies if the Other Party applies for a (temporary) suspension of payment or is declared bankrupt.

Article 12: Payment from Consumers

1. The User is always entitled to require (partial) advance payment or any other security for payment by the Consumer. The required advance payment will amount to 50% of the agreed price at the most.
2. Payment must take place within an expiry period of 30 days after the invoice date, unless parties have agreed a different payment term in writing. The invoice shall be considered correct if the Consumer has not contested it within this payment term.
3. If an invoice is not fully paid after expiry of the term referred to in the previous paragraph or if it was not possible to pay the amount by direct debit, the Consumer is due to the User a default interest of 2% per month, to be calculated cumulatively over the principal sum. Parts of a month are computed as a full month.
4. If the Consumer still fails to pay after receiving notice, the User will furthermore have the right to charge the extrajudicial collection costs to the Consumer. In doing so, the User will give the Consumer at least 14 days to still make payment after having received the aforesaid notice.
5. The extrajudicial collection costs referred to in the previous paragraph amount to:
 - a. fifteen percent of the amount of the principal sum for the first € 2,500.00 of the demand (with a minimum of € 40.00);
 - b. ten percent of the amount of the principal sum over the next € 2,500.00 of the demand;
 - c. five percent of the amount of the principal sum over the next € 5,000.00 of the demand;
 - d. one percent of the amount of the principal sum over the next € 190,000.00 of the demand;
 - e. half a percent of the surplus of the principal sum.All this with an absolute maximum of € 6,775.00.
6. For calculating the extrajudicial collection costs, the User shall after one year be entitled to increase the principal sum of the demand by the cumulatively built up late payment interest in that year according to paragraph 3 of this article.
7. In the absence of full payment by the Consumer, the User shall have the right to terminate the agreement without further notice of default by a written statement or to suspend its obligations under the agreement until the Consumer has made full payment or provided appropriate security. The User shall also have the aforementioned right of suspension if it has legitimate grounds to doubt the Consumers creditworthiness even before the Consumer enters into default regarding payment.

8. Payments made by the Consumer will first be deducted by the User from all interest and costs due and then from the due and payable invoices that have been outstanding longest, unless the Consumer has stated in writing on payment that it concerns a later invoice.

Article 13: Retention of title

1. The User shall retain title of all items delivered and to be delivered up until the point at which the other party has completely fulfilled all payment obligations towards the User.
2. The payment obligations referred to in the previous paragraph consist of payment of the purchase price of the items, increased by claims relating to work performed in connection with that delivery, as well as claims relating to any damage due to the Other Party's attributable failure to meet its obligations, including payment of damages, extrajudicial collection costs, interest and possible penalties.
3. If this refers to the delivery of identical, non-individualized items, the consignment of items relating to the oldest invoice shall be considered to have been sold first. Therefore, retention of title always remains with the items delivered that are still in stock, in the shop and/or form a part of the inventory and equipment of the Other Party on invoking retention of title.
4. All items in which title is retained, may not be sold on by the Other Party in the framework of the ordinary business operations, unless it has also stipulated retention of title with its suppliers to the items delivered.
5. As long as the title is retained in the items delivered, the Other Party may not pledge the items in any manner or bring items under the (actual) control of a financier by means of lists containing items pledged.
6. The Other Party must notify the User immediately if third parties pretend to have ownership or other rights to the items in which title is retained.
7. The Other Party must safekeep the items carefully and as identifiable property of the User for as long as title is retained in them.
8. The Other Party has to take out a business interruption or home contents insurance to ensure that the items delivered which are subject to retention of title are included in the policy and the Other Party will allow the User inspection on demand into the insurance policy and the accompanying proofs of premium payments.
9. If the Other Party contravenes the provisions of this article or if the User claims retention of title, the User and its employees shall have the irrevocable right to enter the Other Party's premises and take back the items subject to retention of title. This applies without prejudice to the User's entitlement to compensation of damage, lost profit and interest and the right to terminate the agreement without any notice of default by a written statement.

Article 14: Bankruptcy, loss of power to dispose of property, etc.

1. The User always has the right to terminate the agreement without any notice of default by a written statement to the Other Party, at the time when the Other Party:
 - a. is declared bankrupt or files for bankruptcy;
 - b. applies for (temporary) suspension of payment;
 - c. is affected by enforceable seizure;
 - d. is placed under guardianship or judicial supervision;
 - e. otherwise loses the power to dispose of its property or loses legal capacity regarding all or part of its assets.
2. The Other Party must always notify the guardian or administrator of the (contents of the) agreement and these General Terms and Conditions.

Article 15: Force majeure

1. In the event of force majeure on the part of the Other Party or the User, the User shall have the right to terminate the agreement by a written statement to the Other Party or to suspend the fulfillment of its obligations towards the Other Party for a reasonable term without being obliged to pay any compensation.
2. Force majeure with respect to the User in the context of these General Terms and Conditions shall include: a non-culpable shortcoming by the User, a non-culpable shortcoming of third parties or suppliers engaged by the User or other serious grounds on the part of the User.
3. Circumstances which are considered force majeure on the part of the User include: war, revolt, mobilization, riots at home and abroad, government measures, strikes within the company of the User and/or of the Other Party, or a threat of these and other circumstances, disruption of existing exchange rates at the time the agreement was concluded, operational failures due to fire, burglary, sabotage, power failure, internet or telephone failures, natural phenomena, (natural) disasters and suchlike, as well as transport problems and delivery problems arisen from weather conditions, roadblocks, accidents, and import and export hindering measures.
4. If force majeure occurs when only part of the agreement has been executed, the Other Party shall in any case be obliged to fulfill its obligations towards the User until that moment.

Article 16: Cancellation, suspension

1. If the Other Party wishes to cancel the agreement prior to or during the execution thereof, it shall be due compensation to be further determined by the User. This compensation shall comprise all costs already incurred by the User and its damage suffered due to the cancellation, including lost profits. The User is entitled to fix the aforesaid compensation and - at its discretion and dependent on the deliveries already made - to charge 20 to 100% of the agreed price to the Other Party.
2. The Other Party is liable towards third parties for the consequences of the cancellation and indemnifies the User against any claims from third parties arising from this.
3. The User is entitled to settle the amounts paid by the Other Party with the compensation due by the Other Party.
4. Should the execution of the agreement be suspended at the request of the Other Party, the costs incurred until that moment shall be immediately due and payable and the User will have the right to charge these to the Other Party. Furthermore, the User shall have the right to charge to the Other Party all costs incurred or to be incurred during the suspension period.
5. If the execution of the agreement cannot be resumed after the agreed suspension period, the User shall have the right to terminate the agreement by a written statement to the Other Party. If the execution of the agreement is resumed after the agreed suspension period, the Other Party must compensate any costs of the User possibly arising from the resumption.

Article 17: Applicable law/jurisdiction

1. The agreement entered into between the User and the Other Party shall be governed exclusively by Dutch law.
2. The applicability of the Vienna Sales Convention (CISG) is explicitly excluded.
3. Any disputes shall be submitted to the competent court in the place where the User is established, although the User shall always retain the right to submit a dispute to the competent court in the place where the Other Party is established.
4. The Consumer may at all times choose to submit the dispute to the legal competent court, unless he makes his choice known to the User in time. The term "in time" shall mean: within one month of the

User informing the Consumer in writing if its intent to have the dispute adjudicated by the court in the district where it has its registered office.

5. If the Other Party is established outside the Netherlands, the User shall have the right to choose to submit the dispute to the competent court in the country or the state where the Other Party is established.

Date: September 6, 2012