

TECHNICAL PURCHASE CONDITIONS

A. GENERAL PROVISIONS

This general part applies to all legal relationships between Forbo and the Contractor, unless explicitly agreed otherwise.

1. Definitions

1.1 In these standard purchase conditions ("Conditions") the following terms have the following meaning:

- (a) **Acceptance:** acceptance of the Products, Services, and/or Work by Forbo after successful completion of the acceptance test, laid down in writing and signed by duly authorized representatives of the parties.
- (b) **Agreement:** every agreement between Forbo and the Contractor, for instance by accepting an Order or framework agreement, every amendment or addition to such, as well as any (legal) acts in preparation and/or performance of such agreement;
- (c) **Contractor:** every natural or legal person from which/whom Forbo orders Products and/or Services and/or with which/whom it is in discussion or negotiation on the entering into of an Agreement;
- (d) **Defect:** every deviation from the Specification by the Products or Services and any other non-properly functioning of the Products or any other non-properly performed Service;
- (e) **Forbo:** Forbo Flooring B.V., Forbo Novilon B.V., Forbo Eurocol Nederland B.V. and Forbo Coral N.V., as well as its legal successors by universal or particular title;
- (f) **Insignificant Defects:** defects that have been identified upon Acceptance, but which are insignificant and do not or only insignificantly impair the use of the Products and/or Work.
- (g) **Order:** every order from Forbo to the Contractor for the delivery of Products and/or the rendering of Services in any form whatsoever;
- (h) **Punch List:** a defect list that is prepared after Acceptance which includes Insignificant Defects. The Punch List shall also include all parts yet to be delivered and work yet to be performed by the Contractor in connection with the detected Insignificant Defects, which shall immediately be remedied by the Contractor.
- (i) **Products:** all goods delivered or to be delivered to Forbo in the execution of an Order, irrespective of whether the Order exclusively includes the delivery of those goods or (also) the rendering of Services;
- (j) **Services:** all the activities (in any form or name whatsoever, for example the delivery and installing of Products, service provision, contracting work, lending etc.) carried out by the Contractor for, or for the benefit of, Forbo, whether or not in conjunction with the delivery of Products;
- (k) **Specification:** the description of the Products or Services ordered by Forbo which is set out, or to which is referred to, in the Order or the Agreement.
- (l) **Work:** the work to be carried out by the Contractor, which may also include Products and Services.

2. Applicability and voidability

2.1 These Conditions form part of all Agreements and apply to all (other) acts and legal acts between Forbo and the Contractor, even if those (legal) acts do not lead to, or are not related to, an Agreement.

2.2 The applicability of any standard terms and conditions of the Contractor is expressly rejected by Forbo.

2.3 Should any provision in these Conditions be void or otherwise invalid, this does not affect the validity of the other provisions in these Conditions and the Agreement, except where Forbo indicates that the relevant provision is of great importance to it, in which case Forbo is entitled to terminate the Agreement with immediate effect without being liable to pay any kind of compensation.

3. Orders, acceptance of Orders and Agreement

3.1 Insofar the Contractor accepts an Order from Forbo which includes departures of minor importance, those departures do not form part of the Agreement and the Agreement is formed in accordance with Forbo's Order.

3.2 Forbo is entitled, provided within two (2) working days after receipt of the acceptance by the Contractor of Forbo's Order to terminate the Agreement without being liable to pay any compensation.

3.3 Offers and quotations by the Contractor are fixed and binding and cannot be changed, unless they relate to the granting by the Contractor (possibly in the interim) of (extra) discounts.

4. Amendments and additions

4.1 Amendments and additions to an Agreement and/or the Conditions can only be agreed in writing. Evidence to the contrary against the provision in the preceding sentence is not permitted and this article 4.1 is an agreement as to the burden of proof.

4.2 Where an amendment and/or addition as referred to in paragraph 1 has been agreed, this amendment or addition only applies to the relevant Agreement.

5. Prices, VAT, payment, setoff and security

5.1 The prices stated in the Order are fixed and in Euros and are exclusive of turnover tax.

5.2 The prices of the Products include the standard packaging and delivery pursuant to the Incoterms set forth in the Order. The prices of the Services always include any travel and accommodation costs, transport costs, as well as any other costs. The prices of all Products and Services also include all the preparatory and other work needed to satisfy all the requirements, descriptions and the Specification set by Forbo.

5.3 The Contractor indemnifies and shall hold Forbo harmless against any costs and losses which Forbo might suffer because the Contractor:

- (a) is not properly registered for turnover tax in an EU Member State; and/or
- (b) provides incorrect or ill-timed information to Forbo and/or the authorities in the field of turnover tax in an EU Member State.

5.4 Payment by Forbo is not due until there has been a complete and correct execution of the Order and an acceptance in accordance with the provisions in article 13 (Inspection, Acceptance, rectification and expiry periods). Forbo shall then pay the submitted invoice within 45 days from receipt, unless agreed otherwise. Every invoice shall refer to the purchase order number and must be submitted to Forbo or to another entity to be indicated by it at any time. Every payment obligation of Forbo lapses if the relevant invoice has not been submitted within one year from delivery of a Product or after the rendering of a Service in accordance with the provision of this paragraph.

5.5 The full contract price shall be invoiced after Acceptance. If a Punch List is issued, the parties agree that 10% of the contract price will be withheld and paid within 45 days of the resolution of all Insignificant Defects addressed in the Punch List, unless otherwise agreed in writing.

5.6 In case of unjustified, late payment, the statutory interest of article 6:119 Dutch Civil Code applies.

5.7 The Contractor shall not assign his claims against Forbo to any third party except with the prior written consent of Forbo.

5.8 Forbo is entitled to offset any claim the Contractor has on it with any claim Forbo might have against the Contractor (irrespective of its basis and whether or not due and payable).

5.9 In the event of a postponement of the delivery of ordered Products in accordance with the provisions in article 8 (Postponement of delivery), payment is due within the term referred to in paragraph 3 after storage of the ordered Products.

5.10 Without prejudice to its other rights, Forbo is entitled to charge the Contractor any legal and other costs, costs of legal assistance included, reasonably incurred or to be incurred by Forbo for the collection of any sum due, to obtain compliance with any obligation by the Contractor or third party instructed by the Contractor.

5.11 The Contractor is obligated to provide a bank guarantee upon receipt of Forbo's request thereto, to ensure repayment of any down payments made by Forbo. The bank guarantee must be issued by a recognized financial institution within 10 business days of receiving Forbo's request, based on Forbo's template, and valid for four (4) weeks from Acceptance at the agreed location. Failure to comply with this requirement will entitle Forbo to terminate the Agreement for breach.

5.12 The Contractor agrees to provide the following warranty bonds when sending the final invoice or at Forbo's first request thereto:

- A warranty bond in the amount of 2.5% of the order value, effective for two (2) years from the date of Acceptance.
- A second warranty bond in the amount of 2.5% of the order value, effective for one (1) year from the date of Acceptance.

This is intended to ensure coverage for defects in workmanship or materials as specified in the Agreement. This will be done by Contractor by means of a bank guarantee issued by a recognized financial institution and based on Forbo's template. Failure to comply with this requirement will entitle Forbo to terminate the Agreement for breach.

6. Contracting out

- 6.1 The Contractor is entitled to engage third parties when carrying out the Order, unless Forbo has informed the Contractor that contracting out, subcontracting, or purchase from third parties is prohibited or if Forbo instructed the Contractor in another project that it is no longer required to work with a particular third party.
- 6.2 The Contractor is fully responsible for any possible contribution by third parties in the execution of the Order as if it were his own performance.
- 6.3 The Contractor indemnifies and shall hold Forbo harmless against any damages and possible claims by third parties involved in the execution of the Order.

7. Prompt execution

- 7.1 The agreed term, or any further term set with due observance of article 8 (Postponement of delivery), within which the Order has to be carried out is of essential importance to Forbo. The Contractor is in default by the mere exceeding of the dates agreed with Forbo on which the performance has to be carried out, without any demand or notice of default being required. Any possible penalty agreed for this event does not prejudice Forbo's other rights, including the right to claim specific performance, to terminate the Agreement and/or the right to full compensation from the Contractor, from which compensation the penalty shall not be deducted.
- 7.2 The execution term commences on the date the Contractor has accepted the Order or – if such is later – on the date on which the information, models, materials or resources to be provided by Forbo as set out in the Order, which the Contractor absolutely needs, of which he notified Forbo, in order to commence with the execution of the Order, are available to the Contractor.
- 7.3 In the event of a not immaterial exceeding of an agreed term, other than as a result of a statement as referred to in article 8 (Postponement of delivery), the Contractor is obliged to refund Forbo any (advance) payments or guarantee sums already received by him under the relevant Agreement without the Contractor being entitled to offset these sums with claims against Forbo to which he is entitled or to which he alleges he is entitled. In addition, any personal or property law related securities as granted under the Agreement by Forbo or those provided by third parties for its benefit, shall then lapse by operation of law. The Contractor is obliged to discharge any guarantors for Forbo from their surety obligation and/or recourse liabilities under the Agreement or ensure they will be discharged from such surety obligation and/or recourse liabilities, such on the forfeiture by the Contractor of a sum equal to the sum to which the guarantor obliged himself or the value of the property law related security granted.

8. Postponement of delivery

- 8.1 Forbo is entitled, by means of a written statement to the Contractor to this end, to postpone the delivery of ordered Products and/or the rendering of the ordered Services by a period of at most 60 calendar days, unless considering all circumstances of the case postponement would be manifestly unreasonable.
- 8.2 If Forbo makes use of the right referred to in paragraph 1, the Contractor shall for the benefit of Forbo store and isolate the Products at a suitable location, insure them and take suitable measures in order to counter loss of quality. Forbo is then obliged to pay the Contractor a reasonable fee for the costs of such storage, measures and insurance. Article 16.2 applies mutatis mutandis.

9. Execution in accordance with Specification; contract variations

- 9.1 The Contractor is obliged to carry out the Order strictly in accordance with the Specifications and in all other respects in accordance with the highest standards. Failing that, the description which is usual between the parties applies, or failing that, all that which is in common practice in the sector;
- 9.2 Forbo is entitled before or during the execution of the Order, to make amendments to the Specification, or after the execution of the Order, demand extra delivery of Products and/or expansion of the Services.
- 9.3 The Contractor declares, insofar he is technically able to do so, in advance to be prepared to, under the same conditions, execute the amended Order referred to in paragraph 2.
- 9.4 If the performance which the Contractor has to carry out on the basis of the amendment is demonstrably reduced, there is a contract reduction which is eligible for setoff.
- 9.5 If as a result of the amendments referred to in paragraph 2, the performance which the Contractor has to deliver on the basis of the Agreement has demonstrably expanded, there are contract extras for which the

Contractor shall receive payment. Contract extras do in any event not include additional activities which the Contractor could have and should have foreseen when he accepted the Order. If the Contractor believes to be entitled to payment for contract extras, he shall not make a start with the execution of such before he has issued a quotation in respect of the extent of the extra work anticipated which has been accepted by Forbo in writing.

9.6 In case of contract extras or contract reductions, the date of delivery of the Products or the rendering of Services shall be reset in consultation.

9.7 If no agreement is reached on the price and/or terms for the contract extras and/or contract reductions, this shall be viewed as a dispute as referred to in article 21 (Applicable law, competent court and miscellaneous). Pending the decision on such a dispute, the Contractor is, if so desired by Forbo, for the time being obliged to carry out the Order in accordance with the Specification as amended by Forbo, in which case he is entitled to request Forbo within two weeks to be allowed to invoice the actual costs resulting from the amendments, which request Forbo may not refuse or delay on unreasonable grounds.

10. Quality guarantee

10.1 The Contractor guarantees the soundness of the Products delivered, Services rendered and Work performed for a minimum of 24 months starting from Acceptance. If the characteristics of the Products and/or Work or customary practices for the Products, Services or Work warrant a longer guarantee period, this extended period shall apply accordingly. This guarantee, whereby it expressly applies that a reliance on force majeure shall not be permitted in case of guarantee, includes at least that:

- (a) the Products and/or Services are suitable for the purpose for which the Order is placed;
- (b) the Products are new, manufactured in accordance with the state of the art, of good quality and free from faults as regards design, processing, construction and dimensions and are free from Defects in the used materials and offer the safety (as referred to in article 6:186 Dutch Civil Code) which one may expect from such meet the requirements which could reasonably be demanded from such;
- (c) the Products correspond as regards quantity, description, quality and performance, fully to the Specification and with any possible samples, models and drawings;
- (d) all applicable national and international regulations in respect of the Products, the packaging of such and/or the Services have been strictly observed, whereby it applies that all standards and requirements of the country where the Products shall be used or put on the market by Forbo or its purchasers are complied with;
- (e) are always manufactured and packaged or executed in the most environmentally friendly manner possible as permitted by the state of the art technology at the time.

10.2 Products are in any case considered to be faulty in the meaning of the preceding paragraph if Defects arise to such within 24 months from Acceptance, unless this is the result of normal wear and tear or can be attributed to the fault of Forbo.

10.3 The aforementioned guarantee means, without any limitation to Forbo's entitlement to payment for costs, loss and interest, that the Defects arising within 24 months after Acceptance shall immediately be fully rectified by the Contractor on demand by Forbo free of charge, if necessary by means of replacement, or by the renewed rendering of the Services. Rectification shall always be carried out on site, unless the Contractor demonstrates that this is impossible in which case any additional costs shall be borne by the Contractor.

10.4 After rectification of the Defects, a new guarantee period as set out in paragraph 2 shall commence and the Contractor guarantees in respect of the replaced or repaired Products the soundness as set out in paragraph 1.

10.5 If required for the safety of humans and/or the sound progress of the work, Forbo is entitled to carry out repairs, or to have them carried out, for the account of the Contractor, unless the Contractor demonstrates that he had not been notified on time of the relevant Defects and that he, had he been notified on time, would have rectified the Defects at least as quickly.

11. Inspection before delivery

11.1 Forbo is at all times entitled to view or test the ordered Products before delivery during processing, manufacturing or storage, or to have such done. The Contractor shall enable Forbo, or the expert to be appointed by Forbo, to do this without any restriction and offer the necessary facilities and assistance to this end. Inspection by Forbo does not mean that any expiry date as referred to in articles 6:89 and 7:23 Dutch Civil Code will commence.

11.2 Forbo shall notify the Contractor in a timely manner of the tests to be carried out by Forbo. The Contractor is entitled to attend these tests or have an expert to be appointed by him attend such tests.

12. Delivery; Installation

12.1 All Products delivered from within the EU shall be delivered DAP (as defined and in accordance with the Incoterms 2020) at Forbo's site or at the place otherwise agreed between Forbo and Contractor in writing. All Products imported from outside the EU shall be delivered DDP (as defined and in accordance with the Incoterms 2020) at Forbo's site or at the place otherwise agreed between Forbo and Contractor in writing. The Contractor is always responsible for the unloading of the Products. Additionally, the Contractor shall handle the internal transportation of the Products to the place where these will be installed. The Contractor is obliged to ensure there is proper packaging in accordance with all applicable regulations, as well as for the safety, insurance and adequate transport. Deliveries of ordered Products in consignments are only permitted if this has been agreed upon in writing.

12.2 Each delivery shall be accompanied by specified documents which refer to Forbo's purchase order number. This purchase order number, as well as any other markings specified by Forbo, must also be sufficiently clear and visibly affixed to the packaging.

12.3 The delivery is fully at the risk of the Contractor, even if in the execution of any delivery act he makes use of personnel of Forbo (the latter subject to any intentional act or gross negligence by Forbo or the persons belonging to its management).

12.4 Contractor shall be responsible for installing the Products in accordance with the Order and the Specification. The installation must be completed in a professional manner and in compliance with all relevant standards and requirements set forth in the Order, the Specification and Technical Requirements.

13. Inspection, Acceptance, rectification and expiry periods

13.1 Forbo shall inspect the ordered Products or Services within a reasonable term after delivery or performance.

13.2 Unless otherwise agreed, Acceptance is deemed to have taken place after successful completion of the acceptance test, laid down in writing and signed by duly authorized representatives of the parties. Acceptance has no further meaning than that in Forbo's provisional view, the external condition of the Products or the visible execution or the visible result of the Services corresponds with the Order. Acceptance does not preclude any later reliance by Forbo on the non-observance by the Contractor of his guarantee obligation referred to in article 10 (Quality guarantee) or of any other obligation.

13.3 Until Acceptance, any Products delivered remain at the risk of Contractor and Contractor is responsible for covering costs of replacement or repair if these are lost or damaged for any reason.

13.4 The expiry periods as referred to in articles 6:89 and 7:23 Dutch Civil Code are, in departure from those provisions, one year from delivery of a Product or from rendering a Service.

13.5 If Forbo rejects the Products and/or Services or if it afterwards becomes clear that they do not meet the requirements of the Agreement and/or Order, Forbo can provide the Contractor the opportunity to remedy and/or rectify the apparent failures and/or Defects. Any costs (including those for disassembly, transport and reassembly) shall be borne by the Contractor. After consultation, Forbo determines in which way and within what term the remedying and/or rectification of the Defects and/or failures needs to take place.

13.6 If replacement or improvement of the Products and/or Services as referred to in article 13.5 is in the reasonable opinion of Forbo not possible or the Contractor does not adhere to the request within the term set by Forbo, the Contractor is obliged to refund each of the sums received from Forbo without the Contractor being entitled to offset these sums with claims to which he is entitled or with alleged claims against Forbo. Forbo is then entitled to do, or not to do, all that which is necessary and to charge the Contractor for the associated costs, which includes the extra expenses which Forbo reasonably incurs in acquiring the replacement Products and/or Services.

14. Delay in delivery; Penalty

14.1 In the event of a delay in delivery, Contractor shall incur a penalty of 1% (one percent) of the contract value (as specified in the Agreement and/or Order) for each week of delay, with any part of a week being considered as a full week, up to a maximum of 10% of the contract value. This penalty cannot be set off or compensated and is without prejudice to Forbo's right to claim actual damages.

15. Transfer of ownership and risk; right of retention

15.1 Forbo acquires the ownership of the ordered Products the moment they have been delivered to it or so much earlier as the transfer of title takes place (in any other way). The Contractor bears the risk of damage or loss of the ordered Products until the acceptance of such in accordance with the provisions in article 13 (Inspection, Acceptance, rectification and expiry periods).

- 15.2 In departure from the provisions in paragraph 1, Forbo acquires the ownership of the Products in the case referred to in article 8 (Postponement of delivery), the moment they are stored for its benefit.
- 15.3 If in departure from the provisions in article 5.4, full or partial payment for not yet finished Products has been agreed at an earlier time than stated, Forbo acquires that part of the ownership of the Products, materials, raw materials, semi-finished products that relates to the advance payment made, without any further act of transfer being required. The Contractor is obliged to acquire the Products, materials, raw materials or semi-finished products referred to free from any third party charges and rights and isolate them for the benefit of Forbo.
- 15.4 After a transfer of ownership pursuant to paragraph 2 or 3, the provisions in the last sentence of paragraph 1 remain in full force.
- 15.5 The Contractor has no right of retention or right of suspension in respect of the ordered Products.

16. Goods made available by Forbo

- 16.1 Forbo remains the owner of all goods ("Goods") which it makes available to the Contractor in connection with the Order (including models, stamps, drawings, tools or other aids). The Contractor shall refrain from acting or omitting to act in such a manner that could result in Forbo loses the ownership of the Goods as a result of conversion [*"zaaksvorming"*], accession [*"natrekking"*], confusion of property [*"vermenging"*] or irrespective of any other manner whatsoever. The Contractor also guarantees that the Goods shall not be charged or encumbered.
- 16.2 The Contractor has no right of retention or right of suspension in respect of the Goods.
- 16.3 The Contractor shall for its own account insure the Goods in favour of Forbo against any losses which are the result of the total or partial loss or damage irrespective of the cause. The Contractor shall furnish a copy of the policy or policies to Forbo upon Forbo's request thereto.
- 16.4 Forbo retains all its intellectual property rights (comparable rights such as know-how included) to the Goods. The Contractor acquires a strictly personal, non-transferable and non-exclusive licence to use the Goods for the duration of the Agreement as meant in this article and on the condition subsequent of non-full compliance with all statutory and contractual obligations which the Contractor has to observe in respect of Forbo.
- 16.5 The Contractor shall return the Goods to Forbo in good condition, unless Forbo gives him different instructions. The Contractor shall use the Goods totally at his own risk; Forbo is, except for an intentional act or gross negligence by Forbo or its management, not liable for any possible adverse effects of the use of the Goods for the Contractor or third parties. The Contractor shall not use the Goods for, nor shall he give authorisation or allow that they are used by third parties or used in connection with, any other purpose than the correct execution of the Order.

17. Liability, force majeure and indemnity

- 17.1 The Contractor carries out the Order fully at its own account and risk. Any loss, both direct and indirect, which might be suffered by Forbo or a third party as a consequence of, or in connection with, the execution of the Order shall be compensated by the Contractor, irrespective of whether such loss is caused by the Contractor himself, his personnel or by other persons engaged by the Contractor in the execution of the Order.
- 17.2 The Contractor is fully liable for any loss which might be suffered by Forbo or third parties as a result of any Defects in the delivered Products and/or rendered Services, except in the event of a non-attributable failure ("force majeure") as specified in paragraph 3 below.
- 17.3 Force majeure shall in any case not include: failure to comply with a guarantee, lack of personnel, strikes, illness of personnel, delayed supplies and/or unsuitability of materials, raw materials or semi-finished products or services, attributable failures or wrongful acts by suppliers or by the third parties engaged by the Contractor and/or liquidity or solvency problems on the part of the Contractor.
- 17.4 The provisions of paragraph 1 and 2 of this article apply also as a stipulation for the benefit of aggrieved third parties as referred to there. The Contractor shall indemnify and hold Forbo harmless against any claims which those third parties might assert against Forbo.
- 17.5 The Contractor is adequately insured and shall keep himself adequately insured against statutory and professional liability. The Contractor undertakes - immediately after having been held liable by Forbo - to assign on demand all claims in respect of insurance proceeds payment(s) to Forbo.

18. Termination

- 18.1 If the Contractor:

- (a) fails in the in the performance of one of his obligations under the Agreements and/or Order and the Contractor has failed to properly perform or cure such failure after Forbo has issued a written notice to the Contractor with the request to do so within ten (10) business days (unless fulfillment is permanently or temporarily impossible, in which case a notice of default is not required); or
- (b) exceeds a term for the execution of the Order; or
- (c) if it cannot in all reasonableness be assumed that the Contractor shall execute the Order properly and on time,

then Forbo is, without prejudice to its other rights, entitled to terminate the Agreement wholly or in part by simple notification to the Contractor without any further notice of default being required.

- 18.2 In the event of a (provisional) moratorium, bankruptcy, cessation or liquidation of the business of the Contractor or (if it concerns a natural person) on his death or in the event of a legal merger of the Contractor, or if more that 50% of the control or shares at the Contractor changes hands, Forbo is entitled to terminate the Agreement, outstanding Orders and any related agreements. Forbo is also entitled (without prior notice of default being required) to suspend all its possible obligations towards the Contractor on the basis of other Agreements or on any basis whatsoever.
- 18.3 All claims which Forbo might have, or acquire, against the Contractor in case Forbo exercises its right to terminate the Agreement and any related agreements, shall be immediately due and payable in full.
- 18.4 By reason of a termination or the occurrence of the condition subsequent, Forbo is entitled to reclaim all the payments made to the Contractor as being undue.. If anything already performed by the Contractor cannot be made undone and otherwise satisfies the Order, the Contractor is entitled to a payment on the basis of the value, to be reasonably determined, the performance has for Forbo, to be offset with that which Forbo can claim from the Contractor relating to the failure and/or the termination. To the extent a return is possible, Forbo is entitled to either keep the performance, on payment as referred to above, or to return it to the Contractor at his risk and expense, without prejudice to any possible exercise of the rights referred to in article 13.5.
- 18.5 If Forbo is the owner of Products which it wants to return in accordance with the provisions of paragraph 4, it also retains ownership after the termination of the agreement pursuant to which it acquired those Products. If Forbo is not the owner of the Products, Forbo shall by the mere fact of the termination, acquire a right of pledge on such to provide the same security.
- 18.6 A termination as referred to in paragraph 1, 2 or 4 shall not result in the rights of Forbo as set out in articles 5.4, 5.6, 5.8, 7.3, 16, 17.2, 17.3, 18, 19, 20 and 21 ending.

19. Intellectual property

- 19.1 The Contractor grants Forbo a non-exclusive and transferable licence to any of his possible intellectual property rights to the Products and/or Services, including but not limited to rights in respect of patents, (utility) models, trademarks and know-how. Pursuant to this licence Forbo has the right to use the Products, or have them used, (including changing, treating, processing and repairing, or to have such done) and Forbo has in addition the authority to deliver, or provide the use of, the Products to third parties, whether or not as a constituent part of other goods. The fee for this licence is included in the price. If under any legal system the creation and/or execution of these (licence)rights, requires further (legal) acts, the Contractor shall notify Forbo of such and each time render Forbo all the necessary cooperation.
- 19.2 Any intellectual property rights in respect of the results of Services are vested in Forbo. If under any relevant legal system the creation and/or execution of such requires any further (legal) acts, the Contractor shall notify Forbo of such and each time render Forbo all the necessary cooperation.
- 19.3 The Contractor guarantees that the Products and/or the Services do not infringe the intellectual property rights of Forbo or third parties and indemnifies Forbo and its customers in respect of such infringement, comparable claims in respect of know-how, unlawful competition and such like included.
- 19.4 If an action by reason of the infringement of such rights has been commenced or if the possibility for this exists, the Contractor shall, without prejudice to the rights of Forbo, including its right to terminate the Agreement, at his expense:
 - (a) acquire the right to continue the use of (the relevant part of) the Products and the results of the Services by Forbo;
 - (b) or replace and/or adjust (the relevant part of) the Products and/or the results of the Services;
 - (c) or take back (the relevant part of) the Products and/or the results of the Services on payment of costs, losses and interest.

(d) Change and/or replacement may not result in Forbo being restricted in the possibilities for use of the Products or the results of the Services.

19.5 The Contractor undertakes, at his expense, to take all measures that can contribute to the prevention of stagnation at Forbo and to limit the extra costs to be incurred and/or loss to be suffered by Forbo.

20. Confidentiality

20.1 The Contractor, his personnel and any third party engaged by him are under a duty of strict confidentiality in respect of all information they might acquire in connection with the Order and/or the Agreement or the execution of such, which includes the nature, reason and the result of the work carried out by him.

20.2 This article does not affect any confidentiality agreements previously entered into.

21. Applicable law, competent court and miscellaneous

21.1 These Conditions, Orders, Agreements and any disputes arising from those, are governed by Dutch law. The applicability of the Vienna Sales Convention 1980 (CISG) is expressly excluded.

21.2 Any dispute between the parties shall in first instance be exclusively submitted to the competent court in Amsterdam, the Netherlands without prejudice to Forbo's right to submit the dispute to a court otherwise competent on the basis of national or international rules of law.

21.3 Third parties do not become a party to any Agreement between Forbo and the Contractor on the basis of an implicit or explicit third-party clause in these Conditions or the Agreement. Article 6:254(1) Dutch Civil Code does not apply therefore.

21.4 If these Conditions apply to an international relationship with the Contractor, the Contractor shall always immediately notify Forbo of any provisions in these Conditions which are not enforceable in the country of the Contractor. Provided approved in advance by Forbo, Forbo shall in that case bear the reasonable costs of any possible required external legal research. The Contractor shall, insofar he fails to comply with the provision in the first sentence of this paragraph, not rely, at law or otherwise, on the possible non-enforceability of such provisions and indemnify Forbo against any loss which might arise unless Forbo has refused to pay the reasonable costs as referred to above.

21.5 The Contractor shall always structure his business operations on the basis of principles of corporate social responsibility. The Products and/or the Services shall not be created or brought about through child labour. The Contractor shall in any case remunerate his employees in accordance with that which may be expected from a reasonably acting business in a comparable position. The Contractor shall in its recruitment policy and the treatment of his personnel not discriminate on the basis of gender, race, sexual orientation or ethnic diversity. In addition, the Contractor shall never pay bribes in any form whatsoever and the Contractor indemnifies Forbo against any possible consequences of such.

21.6 The Contractor adheres to the applicable tax rules and expressly rejects tax evasion and activities that facilitate this.

B. PROVISIONS IN CONNECTION WITH CONTRACTING WORK

This section contains specific provisions for the contract work to be carried out by the Contractor on instruction of Forbo. All conditions of section A (General Conditions) apply. Insofar they conflict with section B, the provisions of section B have priority over the other provisions in these Conditions.

22. Start of the Work

22.1 Without prejudice to the provisions in article 3 (Orders, acceptance of Orders and Agreement), the Contractor who commences with the work without having received a written, not without obligation, instruction from Forbo, does so at his own expense and risk. In that connection Forbo shall not be liable for any compensation and is entitled to claim that the Contractor restores everything back to its original state.

22.2 The Contractor shall (before accepting the Order, or before the start of the activities) acquaint himself sufficiently with the objectives of Forbo as regards the Work and with the organisation of Forbo relevant in this respect.

22.3 In the event of (alleged) errors in, or contradictions between the parts of the Agreement, the Contractor shall, before commencing with the performance of such, consult Forbo.

23. Notification and non-awarding

- 23.1 Except where it is established that mandatory notification of intended quotes or offers/bids to price regulating bodies with which the Contractor is registered is not contrary to competition law, the Contractor shall not make such notification.
- 23.2 If the Work is not awarded, any relevant drawings and documents provided by or on behalf of Forbo shall immediately after notification of non-awarding be returned to Forbo.

24. Implementation schedule; reporting

- 24.1 If Forbo so requires, the Contractor submits to it promptly an implementation schedule including inter alia, the dates of commencement and completion of the successive parts of the Work and the workforce deployed. After approval by Forbo, this implementation schedule forms part of the Agreement.
- 24.2 The Contractor shall report to Forbo on a regular basis and as desired by Forbo. In these reports, Forbo is kept up to date on the current state and progress of the Work and all aspects associated with this.

25. Supervision and monitoring

- 25.1 The daily management and the supervision of the execution of the Work rest with the Contractor. The number of authorised and expert supervising officers made available by the Contractor has to correspond with the size and complexity of the Work, the Specification as well as reasonable requirements set by Forbo.
- 25.2 Forbo can require of the Contractor that he replaces persons involved in the execution of the Work if Forbo should consider this to be reasonably necessary.
- 25.3 If Forbo so requires, Forbo is entitled to monitor the observance of the Agreement, or to have this done. The monitoring by Forbo does not relieve the Contractor from any responsibility and/or liability.

26. Acceptance of the Work

- 26.1 Unless otherwise provided in the Agreement, Acceptance is deemed to have taken place when Forbo has agreed the executed Work after successful completion of the acceptance test, laid down in writing and signed by duly authorized representatives of the parties.
- 26.2 Until Acceptance, the Work remains at the risk of the Contractor and Contractor is responsible for covering costs of replacement or repair if the Work is lost or damaged for any reason.
- 26.3 Forbo is entitled to put the Work into use before Acceptance, or to have this done, or a part of such whether or not completed. If due to this taking into use, more is required from the Contractor than can reasonably be demanded from him, the consequences of such shall be resolved by the parties in all reasonableness. The Work or the particular part respectively, is not considered as having been completed due to the taking into use as meant in this paragraph.

27. Maintenance obligations

- 27.1 The Contractor has a maintenance obligation towards Forbo. This means that the Contractor is, at his own risk and expense, for the term of a year counting from the day of the Acceptance of the Work, obliged in respect of inadequacies brought to his attention, to make the necessary improvements, repairs or renovations or carry out the necessary additional work with accompanying materials as a result of such inadequacies.
- 27.2 An equal maintenance obligation as referred to in paragraph 1 rests on the Contractor owing to those inadequacies which could not reasonably have been detected by Forbo during the term referred to in paragraph 1 and which, during a reasonable term after detection, are brought to the attention of the Contractor by Forbo.

28. Materials

- 28.1 Unless otherwise provided in the Agreement, all required materials are purchased by the Contractor for his own account and transported to the destined place. By the mere fact of the arrival of the materials at the site of Forbo, the Contractor transfers the ownership of such to Forbo. Transportation costs shall be borne by Contractor.
- 28.2 If, in departure from the provisions in paragraph 1, the Agreement provides that the materials are not going to be purchased by the Contractor but by Forbo, the Contractor is entitled that such quantities are made available as are reasonably required for the execution of the Work. The Contractor guarantees that use of the materials made available to him by Forbo shall be as economical as is possible, the materials remain the property of Forbo. Remnants of materials made available by Forbo are again made available to Forbo by the Contractor.

- 28.3 If, before or during the execution of the Work, it appears that the quantity or quality of the materials made available by Forbo is insufficient for the execution of the Work, this must be notified to Forbo in good time. If the Contractor fails in this respect, any possible stagnation in the execution of the Work is then for the account of the Contractor and this stagnation is not viewed as a non-attributable failure for the Contractor. If a shortage in materials is the result of the careless use of such by the Contractor, his personnel or third parties engaged by him, the costs of supplementation of such are for his account.
- 28.4 The materials to be delivered by the Contractor shall satisfy the reasonable requirements set by Forbo and correspond with the Specification. Inspection by or on behalf of Forbo of the materials to be delivered by the Contractor does not relieve the Contractor from any responsibility and/or liability arising from the use of such in the Work.
- 28.5 Without prejudice to the provisions of the other paragraphs of this article, the materials supplied on the part of the Contractor and the materials made available to him by Forbo are, irrespective of whether or not the materials have already been processed in the Work, until Acceptance, at the risk of the Contractor. In the event of the loss of, or damage to, such through whatever cause, the Contractor is obliged to bear the costs of replacement or repair.

29. Tools and equipment

- 29.1 Unless otherwise provided for in the Agreement, the Contractor is responsible for all the tools and equipment required for the Work. If the Agreement provides that Forbo is to make tools available to the Contractor, they are requested by the Contractor from Forbo on time for the agreed duration in accordance with regulations to be set by Forbo and provided on loan by Forbo to the Contractor. Except for any earlier termination of the loan, always permitted to Forbo, they shall be returned to Forbo on Acceptance of the Work. The Contractor shall be deemed to have received the tools made available by Forbo in good condition, unless the Contractor, on inspection to be carried out immediately, notifies Forbo of any possible Defects in writing. The return takes place in accordance with instructions to be set by Forbo. On termination of the loan in the interim, Forbo is not liable to pay compensation or extra costs in any form whatsoever.
- 29.2 The tools and equipment of the Contractor shall only be used in accordance with the applicable statutory provisions and in accordance with any additional reasonable requirements to be set by Forbo. If those requirements are not met or in doubtful cases, Forbo is entitled to forbid the use of such and the Contractor is obliged to remove the relevant tools or equipment and to replace them as soon as possible with tools or equipment respectively which do meet those requirements. Any possible resulting stagnation in the execution of the Work is for the account of the Contractor. Inspection of the tools and equipment by Forbo does not relieve the Contractor from any responsibility and/or liability arising from the use of such.
- 29.3 Except in the case of an intentional act or gross negligence by Forbo or its management, Forbo is not liable for any possible defects in equipment or tools made available by it or for loss which arises due to the use of such by the Contractor.

30. Working conditions and safety

- 30.1 The Contractor is responsible for the working conditions and safety at work. The Contractor has to comply with all applicable statutory regulations, and local applicable safety regulations.
- 30.2 The Contractor shall on a regular basis, depending on the project, conduct a safety inspection at the Work. The results of these inspections shall be submitted in a report to Forbo.
- 30.3 The Contractor shall on a regular basis, depending on the project, participate in safety meetings concerning the Work.
- 30.4 Personnel of the Contractor, personnel of his subcontractors or third parties otherwise engaged by him who, in the reasonable opinion of Forbo, conduct themselves in an unsafe manner shall, on demand by Forbo, be removed from the Work. The Contractor shall immediately provide for their replacement.
- 30.5 Personnel of the Contractor, personnel of his subcontractors or third parties otherwise engaged by him must have passed a basic safety training. Personnel established in the Netherlands shall at least be in the possession of Basic Safety SCC (B-VCA).
- 30.6 Personnel of the Contractor, personnel of his subcontractors or third parties otherwise engaged by him must speak the Dutch, German or English language or at least have a foreman who speaks the Dutch, German or English language.

31. Laws and regulations

- 31.1 If the Contractor is a subcontractor of Forbo, he is deemed to be aware of all statutory and other – also contractual – regulations, conditions and provisions with which Forbo, pursuant to an agreement for services

in respect of the execution of the Work, of which the Work described in the Agreement forms a part, has to comply and has to observe.

- 31.2 The Contractor, his personnel and the third parties engaged by him are obliged to comply with and observe all regulations, conditions and provisions, including those referred to above, insofar relating to the Work to be carried out by him.
- 31.3 The Contractor undertakes towards Forbo to promptly adhere to his statutory obligation to pay social insurance contributions and wage tax relating to the Work assigned to him and in addition to strictly observe the applicable CAO provisions [*collective bargaining agreement*].

32. Vicarious tax liability

- 32.1 The Contractor shall keep such records that the actual wage costs (prefab, assembly, overhead and any possible contracting out to which the Wages and Salaries Tax and National Insurance Contributions (Liability of Subcontractors) Act applies) can be determined for each project. Forbo is at all times entitled to inspect these records (or to have them inspected).

33. Right to intervene in the Work

- 33.1 If, in the view of Forbo, the Work progresses in such a manner that it can be reasonably expected that the term for the realisation of the Work or parts of the Work as determined in the Agreement shall be exceeded or if the Contractor, in the reasonable opinion of Forbo, does not execute or has not executed the Work in accordance with the provisions of the Agreement and/or to a high standard, Forbo shall notify the Contractor of this in writing.
- 33.2 If the Contractor shall not within two weeks from receipt of a notification as referred to in paragraph 1, take such measures, whilst notifying such to Forbo, that in the reasonable opinion of Forbo the delay shall be undone in the near future or the above referred to provisions and/or requirements shall be met respectively, the Contractor is deemed to be in default.
- 33.3 If the Contractor is in default in the meaning of paragraph 2, Forbo is entitled, without any further notice of default or judicial intervention being required, to intervene in the Work in order to speed up the Work or improve it respectively, either by means of its own personnel or by third parties instructed by it to this end. Forbo shall notify the Contractor of this intervention immediately. The Contractor shall then render Forbo and any third party it has engaged in the Work, the desired cooperation including the right, if desired, to make use of the Contractor's materials, tools, equipment etc. The costs of such intervention, which are immediately due and payable, shall be for the account of the Contractor. The costs include a reasonable payment for overheads of and supervision by Forbo.

34. Termination of the Agreement

- 34.1 In the case referred to in article 33.2, Forbo shall also be entitled, at its discretion, to terminate the agreement wholly or in part without any notice of default being required. This termination can also occur after Forbo had initially attempted via an intervention in the Work as referred to in article 33.3, to speed up the Work or improve it respectively. The termination by Forbo as referred to above shall be in writing.

35. Transfer of the Work on termination of the Agreement

- 35.1 If the Agreement has been terminated on the basis of one of the grounds of article 34 (Termination of the Agreement) or 18.2, and if the part of the Work executed up to that point has been carried out in such a manner that, building on the carried out part, the Work can be completed in a technically and economically responsible manner, whether or not after changing, in accordance with the provisions of the Agreement, Forbo shall pay the Contractor the costs incurred by him up to the moment of termination on the basis of the cost price, insofar they follow from the reasonable execution of the Work. If a contract price has been stipulated in the Agreement, the costs so determined shall not exceed the part of the contract price calculated on a proportional basis. When determining the payment any possible reasonable costs of change to be incurred as referred to, shall be deducted from such. Forbo is entitled to provisionally deduct the costs of change as referred to in accordance with an estimated amount, for further settlement with the actual costs of the change.
- 35.2 Forbo shall, in the event referred to in paragraph 1, be entitled to complete the Work or to have third parties complete such on instruction. The Contractor shall then render Forbo and the third parties engaged by it in the Work all the desired cooperation including the right, if desired, to make use of the Contractor's materials, tools and equipment. Insofar the costs incurred by the cooperation referred to are not included in payment referred to in paragraph 1, the cost price shall be reimbursed to the Contractor. Insofar the payments made by Forbo to the Contractor by reason of the Agreement exceed the payment referred to in this article, the surplus shall become immediately due and payable on termination of the Agreement and shall be refunded by the Contractor to Forbo.

36. Refusal of the Work on termination of the Agreement

- 36.1 If the Agreement has terminated on the basis of one of the grounds of article 34 or 18.2, and if the part of the Work executed up to that point has been carried out in such a manner that, building on the carried out part, the Work cannot be reasonably expected to be completed in a technically and economically responsible manner, whether or not after changing, in accordance with the provisions of the Agreement, Forbo is entitled to refuse the Work and instruct the Contractor to remove the Work for the account of the Contractor as soon as possible.
- 36.2 On refusal as referred to in paragraph 1, Forbo shall not be liable in any way whatsoever for any kind of compensation and any payments already made by Forbo to the Contractor by reason of the Agreement shall become immediately due and payable and be refunded by the Contractor to Forbo.