

Standard conditions RN Solutions B.V.

(RNS/SC/2019)

Article 1: Applicability

- 1.1 These conditions apply to all offers made by members of RN Solutions B.V. and to all agreements they conclude and to all agreements that may be the result thereof. The standard conditions of the customer shall not apply and are expressly rejected.
- 1.2 In these terms and conditions of RN Solutions B.V. the other party is referred to as the customer.
- 1.3 In these terms and conditions of RN Solutions B.V. units means all products that RN Solutions makes available to the customer:
 - Membrane distillation units (direct contact md / airgap md / liquid or permeate gap MD)
 - Heat exchanger units

Article 2: Offers

- 2.1 All offers are made without engagement.
- 2.2 If the customer supplies data, drawings etc. to RN Solutions B.V., RN Solutions B.V. may assume them to be correct and may base his offer upon them.
- 2.3 The prices referred to in the offer are based on delivery ex works and are exclusive of turnover tax and packaging.
- 2.4 If his offer is not accepted, RN Solutions B.V. has the right to charge the customer for all the costs which he has had to incur in order to make his offer.

Article 3: Intellectual property rights

- 3.1 Unless agreed otherwise, RN Solutions B.V. retains the copyright and all industrial/intellectual property rights in the offers made by him and in designs, illustrations, drawings, models, test models, software etc. supplied by him.
- 3.2 The rights to the data referred to in paragraph 3.1 shall remain the property of RN Solutions B.V. irrespective of whether costs are charged to the customer for their production. Such data may not be copied, used or shown to third parties without the provenly express consent of RN Solutions B.V. If this provision is infringed, the customer shall owe RN Solutions B.V. a penalty of € 25.000,-. This penalty may be claimed without prior notice and in addition to any compensation owed by law.
- 3.3 The customer must return the data supplied to him as referred to in paragraph 3.1 at the first request of RN Solutions B.V. within the period specified by RN Solutions B.V. In the event of an infringement of this provision the customer shall owe RN Solutions B.V. a penalty of € 1.000,- per day. This penalty may be claimed in addition to any compensation owed by law.

- 3.4 All units are and remain the property of RN Solutions B.V. as well as the intellectual property rights. The units must be returned immediately to RN Solutions B.V. after the project period or end of unit life.
- 3.5 In case units are opened, lost or stolen, the customer will be kept liable for the intellectual property damage and shall owe RN Solutions B.V. a penalty of € 125.000,- per unit. This penalty may be claimed without prior notice and in addition to any compensation owed by law.

Article 4: Advice, designs and materials

- 4.1 The customer cannot derive any rights from advice and information obtained from RN Solutions B.V. if they do not relate directly to the order.
- 4.2 The customer is responsible for the drawings and calculations made by him or on his behalf and for the functional suitability of the materials prescribed by him or on his behalf.
- 4.3 The customer shall indemnify RN Solutions B.V. against any claim by its third parties relating to the use of drawings, calculations, samples, models and so forth supplied by or on behalf of the customer.
- 4.4 RN Solutions B.V. does not accept any liability for damages, of whatsoever nature, caused by the fact that RN Solutions B.V. has relied on incorrect and/or incomplete information supplied by or on the behalf of the customer.

Article 5: Delivery period

- 5.1 The delivery period quoted by RN Solutions B.V. is approximate and not a firm date.
- 5.2 In fixing the delivery period RN Solutions B.V. assumes that he can execute the order in the circumstances known to him at that time.
- 5.3 The delivery period starts when agreement has been reached on all technical details, all necessary data, final drawings etc. are in the possession of RN Solutions B.V., the agreed payment or instalment has been received and the necessary conditions for execution of the order have been fulfilled.
- 5.4 If circumstances occur other than those known to RN Solutions B.V. when he fixed the delivery period, RN Solutions B.V. may extend the delivery period by the time necessary to execute the order in the circumstances. If the work cannot be fitted into the planning schedule of RN Solutions B.V., it shall be completed as soon as his planning schedule permits this.
- 5.5 If there is extra work, the delivery period shall be extended by the time that is necessary to supply (or arrange for the supply of) the materials and parts for this purpose and to carry out the additional work. If the extra work cannot be fitted into the planning schedule of RN Solutions B.V. it shall be completed as soon as his planning schedule permits this.
- 5.6 If there is a suspension of obligations by RN Solutions B.V., the delivery period shall be extended for the duration of the suspension. If continuation of the work cannot be fitted into the planning schedule of RN Solutions B.V., the work shall be completed as soon as his planning schedule permits this.

- 5.7 If work is impossible owing to weather conditions and/or disasters, the delivery period shall be extended for the term of the delay that has occurred as a result.
- 5.8 If the agreed delivery period is exceeded, this shall not under any circumstances confer entitlement to compensation unless this has been agreed in writing.

Article 6: Transmission of risk

- 6.1 In the case of delivery ex works, the risk in relation to the goods shall pass at the moment when RN Solutions B.V. makes them available to the customer.
- 6.2 Irrespective of the provisions of the previous paragraph, the customer and RN Solutions B.V. agree that RN Solutions B.V. shall arrange for the carriage. The risk of storage, loading, carriage and unloading shall be borne by the customer in this case too. The customer may insure himself against these risks.
- 6.3 Even if RN Solutions B.V. installs and/or assembles the goods sold, the risk in relation to the goods shall pass at the moment when RN Solutions B.V. makes them available to the customer at the business premises of RN Solutions B.V. or at another agreed place.

Article 7: Price changes

- 7.1 If four months have passed since the date on which the agreement was concluded and its performance has not yet been completed by RN Solutions B.V., an increase in the price-determinants may be passed on to the customer.
- 7.2 Payment of the price increase as referred to in paragraph 7.1 shall take place together with payment of the principal or the last instalment.
- 7.3 If goods are supplied by the customer and RN Solutions B.V. is prepared to use them, RN Solutions B.V. is then allowed to charge a maximum of 20 percent of the market price of the delivered goods.

Article 8: Impossibility of performance

- 8.1 RN Solutions B.V. shall be entitled to suspend performance of his obligations if he is temporarily prevented from performing them by circumstances that could not be foreseen at the time of the conclusion of the agreement and which are beyond his control.
- 8.2 Circumstances which could not be foreseen by RN Solutions B.V. and which are beyond his control, are deemed to include failure of his suppliers and/or subcontractors to fulfil their obligations or to do so in good time, weather conditions, earthquakes, fire, loss or theft of tools, loss of processed materials, road blockades, strikes or work stoppages and import or trade restrictions

- 8.3 RN Solutions B.V. shall not be entitled to suspend performance if performance is permanently impossible or if a temporary impossibility has lasted for longer than six months. The agreement may then be terminated in respect of such part of the obligations as have not yet been performed. In that case the parties shall not be entitled to compensation for damage suffered or yet to be suffered as a result of the termination.

Article 9: Scope of the work on customer's location

RN Solutions B.V. will not work on customer's location unless this has been specifically agreed in the contract.

Article 10: Execution of the work

- 10.1 The customer shall ensure that RN Solutions B.V. can carry out his activities without interruption and at the agreed time and that in the execution of the work he has access to the requisite facilities such as gas, water and electricity, heating, a lockable and dry storage room, facilities prescribed under the Working Conditions Act of the Netherlands and other health and safety regulations under that Act.
- 10.2 The customer shall be liable for all damage as a result of the loss, theft or burning of or damage to tools, materials and other property of RN Solutions B.V. located at the place where the work is performed.
- 10.3 If the customer fails to discharge his obligations as referred to in the previous paragraphs and the work is delayed as a result, the work shall be executed as soon as the planning schedule of RN Solutions B.V. permits this. In addition, the customer shall be liable for all loss or damage suffered by RN Solutions B.V. as a result.

Article 11: Completion of the work

- 11.1 The work shall be deemed to have been completed when:
- the customer has approved the work; the work has been used by the customer; if the customer uses only part of the work, such part shall be deemed to have been completed;
- RN Solutions B.V. gives written notice to the customer that the work has been completed and the customer does not indicate in writing within 14 days of the notice whether or not the work has been approved; the customer does not approve the work on account of minor defects or missing parts which can be repaired or supplied and which do not prevent the use of the work.
- 11.2 If the customer does not approve the work, he shall be obliged to give written notice of this to RN Solutions B.V. specifying the reasons.
- 11.3 If the customer does not approve the work he shall give RN Solutions B.V. the opportunity to complete the work anew. The provisions of this article shall then apply once again.

Article 12: Liability

- 12.1 RN Solutions B.V. is only liable for damage which the customer suffers and which is the provenly direct and sole result of a failure attributable to RN Solutions B.V. However, only loss or damage for which RN Solutions B.V. is insured or for which he should reasonably have been insured will be eligible for compensation.
- 12.2 If, for any reason whatsoever, RN Solutions B.V. cannot invoke the limitation in paragraph 1 of this article, the obligation to pay damages will be limited to a maximum of 15 % of the total assignment amount (excluding VAT). If the agreement comprises parts or partial deliveries, the obligation to pay damages is limited to a maximum of 15 % (excluding VAT) of the assignment amount of that part or that partial delivery.
- 12.3 The following are not eligible for compensation:
- a. consequential loss or damage, including for example loss or damage due to business standstills, production loss, loss of profit, transport costs and travel and accommodation expenses. The customer may insure itself against this damage if possible;
 - b. damage to goods which are being worked on or to goods which are in the vicinity of the place where the work is being carried out. The customer may insure itself against this damage if possible.
 - c. damage caused by the intent or deliberate recklessness of agents or non-management employees.
- 12.4 RN Solutions BV is not liable for damage to material provided by or on behalf of the customer where the damage is the result of improper processing.
- 12.5 The customer indemnifies RN Solutions B.V. against all claims of third parties on account of product liability due to a defect in a product which has been supplied by the customer to a third party and consisted wholly or partly in products and/or materials supplied by RN Solutions B.V.

Article 13: Warranty

- 13.1 Warranty to be agreed upon in the offer and/or contract.
The units should always be operated according to the specifications. The warranty expires if the units are operated outside the specifications.
- 13.2 If units are removed from the pressure frame, then the warranty expires.

Article 14: Claims

- 14.1 The customer can no longer invoke a defect in performance if it does not make a written complaint to RN Solutions B.V. in respect thereof within fourteen days of the date it discovered or should reasonably have discovered the defect.
- 14.2 On pain of forfeiture of all rights the customer must submit complaints regarding the amount invoiced to RN Solutions B.V. in writing within the payment deadline. If the payment deadline is longer than thirty days, the customer must complain no later than thirty days after the invoice.

Article 15: Uncollected goods

If goods have not been collected by the time the delivery period expires, they shall continue to be held available for the customer. Uncollected goods shall be stored at the expense and risk of the customer. RN Solutions B.V. may always make exercise the power referred to in article 6:90 Civil Code.

Article 16: Payment

- 16.1 Payment shall be made at the place of business of RN Solutions B.V. or by remittance to an account designated by RN Solutions B.V.
- 16.2 Unless agreed otherwise, payment shall be made as follows:
- if payment in instalments has been agreed:
- 80% of the total price at the time the order is placed;
 - 10% of the total price after the material is supplied;
 - 10% of the total price upon completion;
- in all other cases: within 30 days of the date of the invoice.
- 16.3 Regardless of the agreed terms of payment, the customer shall be obliged, at the request of RN Solutions B.V., to provide such security for the payment as RN Solutions B.V. deems sufficient for the payment. If the customer fails to do so within the specified period, he shall be deemed to be immediately in default. RN Solutions B.V. shall in that case have the right to terminate the agreement and recover his loss or damage from the customer.
- 16.4 The customer does not have the right to set off claims against RN Solutions B.V., unless RN Solutions B.V. has been declared bankrupt.
- 16.5 The full claim for payment shall be immediately due and exigible if:
- a payment period has been exceeded;
 - the customer has been declared bankrupt or has applied for a suspension of payments;
 - the property or accounts receivable of the customer are seized;
 - the customer (being a legal entity) is wound up or liquidated;
 - the customer (being a natural person) is made the subject of a guardianship order or dies.
- 16.6 If payment has not been made within the agreed period for payment, the customer shall immediately owe interest to RN Solutions B.V. The interest shall be 10% per year or the statutory rate of interest, whichever is the higher. For the purpose of calculating the interest, part of a month shall be treated as a full month.
- 16.7 If payment has not been made within the agreed period for payment, the customer shall owe RN Solutions B.V. all extrajudicial costs of recovery, subject to a minimum of € 50,-.

The costs shall be calculated on the basis of the following table:

on the first € 3.000 15%

on any additional amount up to € 6.000 10%

on any additional amount up to € 15.000 8%

on any additional amount up to € 60.000 5%

on any additional amount over € 60.000 3%

If the extrajudicial costs actually incurred are higher than those in the above-mentioned table, the costs actually incurred shall be owed.

- 16.8 If RN Solutions B.V. is held to be in the right in legal proceedings, all costs which he has incurred in connection with the proceedings shall be borne by the customer.

Article 17: Termination

If the customer wishes to terminate the agreement in circumstances where RN Solutions B.V. is not in default and RN Solutions B.V. agrees to this, the agreement shall be terminated by mutual consent. RN Solutions B.V. shall in that case be entitled to compensation of all pecuniary damage, such as any loss suffered, loss of profit and costs incurred.

Article 18: Applicable law and choice of forum

- 18.1 This agreement shall be governed by Dutch law.
- 18.2 The Vienna Convention on Contracts for the International Sale of Goods (CIGS) is not applicable.
- 18.3 All disputes arising out of or in connection with this agreement of further agreements resulting therefrom, shall be exclusively settled by the Court in 's-Hertogenbosch in the Netherlands.