

GENERAL SUBCONTRACTOR TERMS AND CONDITIONS

Article 1: Obligations

- 1.1 These terms and conditions of contracting and subcontracting apply to all agreements entered into between the private company with limited liability Logisticon Water Treatment BV or its affiliates (hereafter Logisticon) and its Contractors (subcontracting).
- 1.2 These terms and conditions primarily apply to all offers and agreements related to contracting, including contracts, outsourcing and project outsourcing.
- 1.3 The terms and conditions of the Client or deviations from these terms and conditions can only be invoked by the Client if such has been explicitly accepted by Logisticon in writing. Any conditions imposed by the Client are hereby expressly rejected. The parties declare that these terms and conditions also apply to agreements concluded between them in the past or to be concluded in future.
- 1.4 Provisions that specifically relate to the supply of products/materials are governed separately in the General Conditions of Sale of Logisticon.

Article 2: Offers and orders

- 2.1 All offers provided by Logisticon are free of obligation and revocable. An agreement shall only be concluded at the moment that Logisticon has confirmed an order. Logisticon is authorised to apply interim changes to its contracts and instructions, even after order confirmations and/or if implementation thereof has already commenced.
- 2.2 Process-based drawings, samples, descriptions and technological structures and components, including designs and calculations made by or on behalf Logisticon, shall remain the property of Logisticon at all times. These items shall not be provided to or made available to third parties and may only be duplicated and provided to third parties after obtaining prior consent from Logisticon. Upon cancellation these items must be returned to Logisticon within a maximum period of five days.
- 2.3 All information contained in publications from Logisticon is subject to change. The Contractor cannot derive any rights from such pre-printed information.
- 2.4 If a term is stated in the tender then this term shall be considered binding, unless an extension has been granted by Logisticon. In the absence of a time limit an offer shall be valid for a period of six weeks, during which time the Contractor must submit a quotation up to 4 weeks after the work is or will be accepted by Logisticon from the principal.
- 2.5 The Contractor must return a signed copy of the order confirmation within a maximum period of 10 days to Logisticon for approval, failing which Logisticon shall be entitled to suspend any payment obligations.

Article 3: Intellectual property rights

- 3.1 The annexes attached to the agreement, as well as prototypes, samples, software, structure drawings, technical calculations and specifications, algorithms or any other documents that Logisticon may have provided or made available to the Contractor for purposes of the contract shall be deemed to be the property of Logisticon, as if Logisticon were the actual producer.
- 3.2 The Contractor undertakes to make all of the items listed under paragraph 1 available to Logisticon at the latest upon delivery of the project/work, failing which Logisticon shall be entitled to suspend any payment obligations for the remainder of the term.

Article 4: Confidentiality and non-compete clause

- 4.1 The Contractor undertakes to maintain strict confidentiality towards third parties of all of the documents listed above and additional company information that the Contractor may have become aware of during the course of his/her work. In the event of a violation of this provision on the part of the Contractor a fixed penalty of € 10,000 shall be levied per violation, in addition to the right of Logisticon to demand compensation.
- 4.2 The Contractor shall completely refrain from approaching the principal directly or through the intervention of a third party to provide a quotations and/or an offer, including an extension and/or modification of an existing contract or a contract that has yet to commence for Logisticon (in principle), both before and after receiving a confirmation order from Logisticon. In the event of a violation of this provision the Contractor shall be liable to pay Logisticon a fine of € 25,000, without prejudice to any rights that Logisticon may have to full compensation for damage resulting from the violation.

Article 5: Implementation of the work

- 5.1 Without prejudice to what has been agreed to and defined in the specifications, the work of the Contractor must fulfil the following requirements:
 - work must be done in a professional manner and with appropriate materials;
 - the work must in all aspects be produced in accordance with the specifications, models or structures provided by Logisticon;
 - the work must be completely suitable for the intended purpose or at least for the foreseeable use and for special purposes as identified by the principal, without any construction or material defects;
 - the work must also meet the quality requirements and other properties that Logisticon and the principal may expect as standard.
- 5.2 Logisticon shall always be entitled to conduct interim approvals of the work and its progress. If any deviation should be identified Logisticon shall notify the Contractor as soon as possible. In such instance the Contractor shall be obliged to take necessary and useful measures to ensure that the work meets the stipulated and target specifications/standards.

- 5.3 The Contractor undertakes to use any tools made available for no other purpose other than project implementation. No third party is permitted to make use of these tools. Upon first request these tools, including utensils and equipment made available, shall be returned to Logisticon in a good working condition. If any tools should be missing or damaged the Contractor shall be liable for compensation for damage, which could be deducted from the contracting price.
- 5.4 The Contractor is obliged to deliver the work complete and sound within the stipulated term, allowing for lost time due to days where work is not possible. If the Contractor should anticipate that the work would not be completed in time, he/she must inform Logisticon without delay. If no solution can be reached - in consultation with the principal if necessary - Logisticon shall be entitled to terminate the agreement in writing with immediate effect and engage a third party to complete the work if necessary.
- 5.5 Except where the Contractor can demonstrate that a delay is due to circumstances beyond his/her control and blame can be allocated, the Contractor shall be liable for any direct and indirect damage caused by a delay.
- 5.6 The Contractor shall commence with the work as specified in the agreement or order confirmation. The Contractor is aware of the fact that its work must be coordinated and planned in accordance with the main contracting schedule. Logisticon is entitled to change the sequence of work if such a step would be useful or desirable, specifically with a view on progress of the project as a whole.

Article 6: Delivery

- 6.1 In due time and before the work is to be completed in the opinion of the Contractor, the Contractor shall invite Logisticon in writing to approve the work. This approval shall take place as soon as possible, but no later than eight days after the notification as referred to above. The approval shall be conducted by Logisticon in the presence of the Contractor with the aim to ascertain whether the Contractor has complied with the requirements contained in the agreement, as described in a protocol to be prepared and signed by both parties.
- 6.2 After the work has been approved, Logisticon shall notify the Contractor in writing within eight days whether the work has been approved or not. In the former case any minor defects as described in paragraph 5 of this provision shall be noted and in the latter case the defects that are the reason for withholding approval shall be described. Upon approval the date of notification shall serve as the date of approval.
- 6.3 If notification of approval or rejection should not follow within eight days after the notification, the work shall be considered to have been approved on the eighth day after notification.
- 6.4 If approval should not take place within eight days after the day as referred to in the second paragraph of this Article, the Contractor may submit a new application to Logisticon by registered letter with a request to inspect the work within eight days. If Logisticon should fail to comply with this request, the work shall be deemed to have been approved on the eighth day after the day referred to in the second paragraph of this Article.
- 6.5 Minor defects that could be properly repaired before the next payment term shall not be considered as a reason for withholding approval, provided that such defect does not restrict use. The Contractor is obliged to remedy defects as referred to in this paragraph as soon as possible.
- 6.6 With respect to a follow-up approval after initial withholding of approval, the above provisions shall apply mutatis mutandis.
- 6.7 The work shall be considered to be completed if it is deemed to be approved in accordance with this article. The day on which the work is deemed to have been approved or will be approved shall be considered to be the delivery date of the work.
- 6.8 If a maintenance period applies this term shall come into effect immediately following the day on which the work is deemed to have been approved, in accordance with the preceding paragraph. The Contractor is obliged to remedy any shortcomings that may occur during the maintenance term as soon as possible, with the exception of those caused through circumstances attributed to Logisticon.

Article 7: Inspection and warranty

- 7.1 The Contractor guarantees towards Logisticon normal usability and reliability of the completed work. During the warranty period the Contractor shall remedy any defects identified by Logisticon without delay and without additional costs. The initial warranty term shall apply anew for these repairs. The warranty period is at least one year after approval.
- 7.2 The Contractor shall undertake the work in accordance with the requirements of good and sound workmanship as required by Logisticon and/or its principal and/or project supervisor and as per the specifications contained in the agreement.
- 7.3 Inspection and/or approval by the principal or Logisticon shall not relieve the Contractor from any warranty and/or liability as stipulated in the legal relationship between the parties or by the law.
- 7.4 In the event of rejection of the work or any part thereof, Logisticon shall be entitled to suspend related payment of the Contractor price until repairs or termination of the agreement has been completed.
- 7.5 In the event of rejection Logisticon shall notify the Contractor without delay. The Contractor is obliged to repair or replace rejected projects or parts thereof upon first instruction from Logisticon, without having recourse to additional compensation for

7.6 the additional work, notwithstanding the obligation to compensate for additional costs incurred or adverse effects following the initial rejection. The Contractor shall be liable for the quality of the work during the construction period and during the maintenance period that follows, regardless of his/her liability following delivery. The intended maintenance period shall come to an end between the Contractor and Logisticon at the same time as the maintenance obligation comes to an end between Logisticon and its principal.

Article 8: Regulations and permits

- 8.1 The Contractor declares to be familiar with all legal requirements, including regulations and decisions of the government that must be complied with by Logisticon by virtue of the agreement concluded with the principal for the implementation of the work.
- 8.2 The Contractor is independently responsible for any permits or exemptions required with related to implementation of the contract.
- 8.3 The Contractor is required to be in possession of valid certificates from relevant Professional and Trade Associations and a trading permit where required. If required the Contractor must provide a statement of his/her labour force involved with the work, along with wage statements and/or signed shift schedules or weekly reports. The Contractor shall also provide a declaration regarding wage tax payments as per the Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act, as well as his/her VAT number and registration number with the Chamber of Commerce, as well as the relevant account number at the Guarantee Association.
- 8.4 When construction meetings are held Logisticon shall inform the Contractor about the issues discussed during that meeting which are related to the work assigned to the Contractor. Logisticon shall in such event provide the Contractor with a copy of the relevant passages of the meeting report.
- 8.5 The Contractor is obliged to adhere to all regulations, legal regulations and instructions related to his/her work, which shall also be followed up by Logisticon. The Contractor shall be liable for any consequences following non-compliance of those requirements.
- 8.6 More specifically, the Contractor is obliged under penalty of non-payment of the Contractor price to adhere to its legal requirements with regards to payment of wage tax and social security contributions and to conform to the applicable Collective Labour Agreement.

Article 9: Contractor price and payment

- 9.1 Unless otherwise agreed to, unchanged prices are quoted and agreed to between the parties.
- 9.2 Logisticon is entitled to deduct the agreed Contractor price or to deduct the amounts involved with delay damage, attributable failures, warranties or liability on the part of the Contractor.
- 9.3 Payment of invoices or partial invoices shall only be made following proper delivery and approval by Logisticon after completion of the work, and where necessary with delivery of written proof provided by the Contractor that workers engaged by the Contractor for the purpose of the work have received their rightful wages and the like.
- 9.4 If the Contractor should fail to adequately adhere to the obligations as described in this provision, Logisticon shall be entitled to pay wage tax or other premiums for which the Contractor is jointly and severally liable directly to the Receiver or professional association, which will be reduced accordingly from the Contractor price.
- 9.5 If the Contractor should be negligent with satisfactory remittance, or if reasonable doubt should arise, Logisticon shall be authorised to deduct the amount due or to deposit the amount due to the Contractor into an escrow account.
- 9.6 In such event Logisticon shall be obliged to act in accordance with Articles 16 and 17 of the Coordination of Social Insurance Act or alternatively applicable legislation.
- 9.7 The Contractor shall submit invoices in accordance with Article 35 of the Turnover Tax Act, with reference to the order number and specifying the CSV (Social Security Coordination Act) wage amount and any reverse charges that may apply. In the work is approved Logisticon shall settle the invoice within the agreed settlement term. Cession or pledging of these invoices is not allowed.
- 9.8 Logisticon shall notify the Contractor well in advance that it intends to submit the final invoice to the principal. Within one week after receipt thereof, the Contractor must submit a written statement of any residual receivables still to be submitted. If the Contractor should fail to do so, any claim or right of claim on the part of the Contractor shall lapse upon expiry of the stated period.

Article 10: Remittance of social premiums and wage tax

- 10.1 Logisticon is entitled to pay contributions that the Contractor is obliged to pay under the Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act related to social insurance and wage tax by depositing the amount due into the escrow account as referred to in the Wages and Salaries Tax and Social Security Contributions (Liability of Subcontractors) Act.
- 10.2 Logisticon is entitled to withhold social insurance premiums and wage tax, as referred to in the preceding paragraph, on behalf of the Contractor and to pay such amount directly to the relevant Professional and Trade Association or the Receiver if Logisticon should reasonably be of the opinion that such a step is necessary in order to limit the risk of joint and several liability.
- 10.3 If Logisticon should reasonably be of the opinion that the Contractor is due a higher amount in social insurance premiums and wage tax than the percentage established in the agreement for the work assigned, the percentage amount can be changed, following consultation with the Contractor.

- 10.4 If Logisticon should reasonably be of the opinion that the Contractor is due a lower amount in social insurance premiums and wage tax than the percentage as established in the agreement for the work assigned, the percentage amount can be changed by Logisticon, following consultation with the Contractor.
- 10.5 If Logisticon should decide to invoke paragraphs 1 and 2 of the specified rights, the stated amount shall be credited against the Contractor.

Article 11: Mutual indemnification under a Guarantee Association

- 11.1 If and as long as the Contractor should provide sufficient security in the form of indemnification provided by a Guarantee Association for social premiums and wage tax obligations as required by legislation and to the satisfaction of Logisticon for which Logisticon is jointly and severally liable in accordance with the Social Security Contributions (Liability of Subcontractors) Act, Logisticon shall not invoke the stipulations contained in Article 10.

Article 12: Recourse

- 12.1 If Logisticon should settle social insurance premiums or wage tax after being requested to make such payment, following which the Contractor or those that follow in the chain after the Contractor should be in default, Logisticon shall be entitled to collect the total amount paid from the Contractor.
- 12.2 Following fulfilment of the obligations under the Collective Labour Agreement for the Building Industry in favour of the employees of the Contractor, Logisticon shall be entitled to collect the settlement amount from the Contractor, plus statutory interest, calculated from the date of payment.

Article 13: Guarantees

- 13.1 Subject to the provisions contained in the fifth paragraph, Logisticon is entitled to require the Contractor to provide security for the fulfilment of its obligations arising from the agreement, in accordance with the provisions of the second of up to and including the fourth paragraph of this Article.
- 13.2 Unless otherwise agreed, the value of the security shall be equal to 5% of the Contractor price agreed with the Contractor and security shall be provided in the form of a bank guarantee.
- 13.3 If Logisticon should intend to invoke the bank guarantee it shall notify the Contractor in advance by registered letter. Logisticon shall be entitled to invoke the bank guarantee, unless the Arbitration Council for the Building Industry in the Netherlands should decide otherwise following urgent proceedings filed by the Contractor within 10 days after the notification, as described in this paragraph.
- 13.4 The guarantee shall remain in force until such time as the work has been delivered to Logisticon and accepted, with the proviso that if defects should be identified in the work of the Contractor the work shall not be deemed as completed, in which case the guarantee shall remain in force up until such time as the Contractor has corrected these shortcomings.
- 13.5 Logisticon is not entitled to stipulate that a guarantee must be provided for the performance of his/her obligations if it is agreed that the Contractor price as agreed to shall be withheld in part or as a whole. A deduction exists if the Contractor is paid a lesser amount than the amount agreed to for the value of the work that has already been completed.

Article 14: Dissolution

- 14.1 Without prejudice to the legal rights of dissolution, Logisticon and the Contractor shall be entitled to rescind the agreement:
- if the other party should cease to operate, submit an application for suspension of payments or if it finds itself in a state of bankruptcy;
 - if work is terminated before completion;
 - if the agreement between Logisticon and its client should be dissolved, which also includes the work assigned to the Contractor.
- 14.2 In such an event the parties shall enter into consultation concerning financial settlement.

Article 15: Disputes

- 15.1 Any disputes relating to the agreement and/or these terms and conditions shall be settled in the manner described in the agreement between Logisticon and its client.

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