



General Conditions of Production Heroes B.V. and liaised companies or trade names.

Assignee

Production Heroes B.V. and affiliated registered trading name Production Heroes, registered in the Chamber of Commerce under number 77993810 with its residence Huiswei 6, 4855 AB Galder, The Netherlands.

Manufacturer

As per Supplier Agreement

Client(s)

All leads for production deals and running projects initially provided by Production Heroes to the Manufacturer.

I Applicability

Article 1: Applicability

- 1.1 These conditions apply to all offers, quotations, quotation requests, accepted orders, assignments, arrangements and/or other type of agreements, as well as to all negotiations entered into by one of the members of Production Heroes B.V., whether or not via the intermediation of an authorised person (hereinafter referred to as "Production Heroes"), with a producing party (hereinafter referred to as "the Manufacturer") on behalf of third parties for production contracts (hereinafter referred to as "Client") unless Production Heroes has explicitly stated by letter or by email or included in the purchase order (hereinafter referred to as "in writing") that any other conditions, contradicting these general conditions will apply. Any potential (general) conditions of the contractual party (the Manufacturer) do not apply.
- 1.2 Deviations from these general conditions can only be agreed upon in writing.
- 1.3 If the Manufacturer has on one occasion entered into an agreement with Production Heroes under these general conditions, then these general conditions are also applicable to any subsequent follow up agreement, regardless of whether such an agreement has been confirmed in writing; unless a later revision of these general conditions is added to such an agreement.

II Non-Disclosure Agreement (NDA)

Article 2: Non-Disclosure Agreement (NDA) and Proprietary Information

- 2.1 Upon receiving documentation from Production Heroes the Manufacturer automatically agrees to the following:
 - a. To use all Proprietary Information (documentation delivered by Production Heroes) so disclosed solely and exclusively for the purpose of drafting a manufacturing quotation and not to disclose the content of such to any third party unless required to disclose to third parties for providing a proper quotation;
 - b. In case the Manufacturer has to disclose information to third parties as defined under 2.a. above the Manufacturer needs to provide their format NDA for review and approval by Production Heroes and the Manufacturer must commit to having such NDA signed by all sub-suppliers and contractors for each project; prior to any information being shared with such third parties. In case a third party is used continuous by the Manufacturer for on-going business requests provided by Production Heroes a continuous NDA for all future requests is sufficient;
 - c. To maintain confidential all Proprietary Information which the Manufacturer may acquire in any manner, the ownership of all Proprietary Information shall remain exclusively with Production Heroes and / or its Client(s);
 - d. Keep safe all Proprietary Information and all information received from Production Heroes;
 - e. Only staff with a need-to-know basis to draft the quotation and execute tooling and production runs are allowed to use the Proprietary Information;
 - f. Not store any of the Proprietary Information on a data carrying device (for example USB stick) or transmit the Proprietary Information in any form or by any means whatsoever outside the Manufacturer's usual place of business;
 - g. Not use the Proprietary Information for any other client or third party nor initiate any production runs or making of moulds based on the received Proprietary Information for use outside the agreement with Production Heroes;
 - h. Make copies of the Proprietary Information only to the extent that these copies are strictly required for the purposes of its evaluation by the Manufacturer or a third party;
 - i. Upon the completion of activities relating to a specific agreement or at any time upon the request of Production Heroes the Manufacturer to delete all documents and other material in the possession, custody or control of the Manufacturer that bear or incorporate any part of the Proprietary Information this includes sent and received emails containing the documentation;
 - j. The Manufacturer can only use details of realized projects for self-promotion after having requested and received a written permission from Production Heroes. It is not permitted for the Manufacturer to make such details public as Production Heroes also has to receive a written approval from the Client;
 - k. These terms remain in affect once tooling is in progress and / or production initiated;
 - l. The Manufacturer will not, in any case, seek direct contact with any client of Production Heroes, if contact is made to the Manufacturer by any client; no response shall be sent to that client by the Manufacturer and a notification with details is to be sent to Production Heroes immediately.

III Quotations

Article 3: Quotations

- 3.1 Quotations, regardless of the form, are always without obligation, until the resulting assignment has become binding as described in Article 8.
- 3.2 All communicated prices and quotations from European suppliers shall be in Euro (€) and excluding VAT; communicate prices from Asian suppliers shall be provided in US dollars (\$) excluding VAT.

Article 4: Provided data by Production Heroes

- 4.1 Data provided by Production Heroes on documents, verbal or in related correspondence needs to be incorporated by the Manufacturer in his production process, if so required, but only after review of such data by the Manufacturer before implementation in the production process.
- 4.2 Production Heroes and the Manufacturer exclude any liability for direct or indirect damage caused by inaccuracies in advice and data provided by the Client regarding products to be delivered, unless intent or willful recklessness can be proven.
- 4.3 If the exclusion of liability in the previous paragraph cannot be upheld, then the compensation is limited to a maximum of the invoice amount of the agreement (excluding VAT) from which the liability arises, otherwise to the part of the invoice to which the liability relates. The compensation for the damage is in any case limited to the amount disbursed by the liability insurer of Production Heroes, to be supplemented with the amount of the deductible that is payable by Production Heroes in the relevant case in accordance with the applicable insurance contract.

Article 5: Intellectual Property (IP)

- 5.1 All generated IP on CAD drawings, 3d models, sketches, diagrams, samples, models, etc. (hereinafter referred to as: "documents") provided by Production Heroes to the Manufacturer, in the context of this agreement and future agreements remain the property of Production Heroes and / or the Client during the acquisition, mould design, tooling and manufacturing procedures. Once the off-tool o-series have been approved by the Client and if any IP has been generated by either the Manufacturer or Production Heroes (for instance design changes required for manufacturing) this IP will automatically be transferred via Production Heroes to the Client.
- 5.2 Documents provided by Production Heroes and / or the Client, remain the property of Production Heroes and / or the Client.
- 5.3 In the event of manufacturing, via Production Heroes, of parts according to drawings, samples, models or based on other instructions in the broadest sense, received directly or indirectly from the Client of Production Heroes, the Client of Production Heroes is responsible to guarantee that we are not, through the reproduction and/or delivery of those parts, infringing any form of intellectual property rights of third parties. The Client will fully indemnify the Manufacturer and Production Heroes against all claims and associated costs by third parties for infringing their rights. If a third party objects to the manufacturing and / or delivery on the basis of any alleged right as referred to above, the Manufacturer and Production Heroes are, on that basis, automatically and exclusively entitled to immediately cease production and / or delivery and demand reimbursement of the incurred costs from the Client, without prejudice to the Manufacturer and Production Heroes claims for possible further damages, without the Manufacturer and Production Heroes being obliged to pay the Client any compensation.

Article 6: Data provided by the Manufacturer

- 6.1 Production Heroes is not obligated to fully check or test the data or documents received from the Client or via him from third parties nor to check the accuracy thereof. The Manufacturer however shall check this data for manufacturability and mould design details which need to be shared in detail with Production Heroes to enable written approval from the Client before initiating in any mould making and or manufacturing procedures.
- 6.2 Production Heroes exclude any liability for inaccuracies in data or documents provided by or on behalf of the Manufacturer for use in the execution of the agreement.
- 6.3 If the exclusion of liability in the previous paragraph cannot be upheld, then the compensation will be limited to a maximum of the invoice amount of the agreement (excluding VAT) from which the liability arises, otherwise to the part of the invoice to which the liability relates.
- 6.4 The Manufacturer indemnifies Production Heroes against third party claims arising from the inaccuracies referred to in this article.

IV Shipping and delivery

Article 7: Shipping and delivery

- 7.1 All quoted prices to Production Heroes by the Manufacturer shall include costs for packaging of the parts, these packaging costs shall be indicated separate on each quotation whilst options for packaging can be discussed. The standard packaging shall be labelled in Production Heroes branding or blank packaging and provide adequate transport protection during the expected transport to provide safe delivery of the parts. Details of the branded packaging and tape will be shared with the Manufacturer to enable local sourcing of the branded packaging and tape.
- 7.2 All documents, like but not limited to, delivery notes, packing lists, export and / import documents, which the Manufacturer has to include with any shipment to clients of Production Heroes shall be made in the template documents as provided by Production Heroes and not bear any details or markings from the Manufacturer.
- 7.3 All agreements with the Manufacturer, in case of delivery by ocean or inland waterways, shall be based on FOB (Free On Board), unless agreed otherwise, and specified as a separate cost in the agreement. The Manufacturer shall deliver the parts, cleared for export, onboard the vessel at the port of departure and arrange for all export markings, licenses and formalities. Production Heroes can be invoiced for these costs delivering the parts, cleared for export, on board the vessel at the port of departure and arrangements for all export markings, licenses and formalities, excluding Manufacturer's handling, as detailed in the agreement. The Client then takes over risk and costs, including import clearance and duties, as soon as the parts are loaded onto the transport vessel at the port of departure. The Client is responsible for arranging discharge of the parts at the port of destination and onward carriage to the location of their choosing. Import formalities, duties, clearance and possibly inspections by customs are to be borne by the Client. Other types of shipments, for example LCL for smaller order can be discussed.
- 7.4 All agreements with the Manufacturer, are standard EXW, in case of delivery by land transport (truck or rail), shall be based on FCA unless agreed otherwise and specified as a separate cost in the agreement. The Manufacturer assumes all responsibilities and costs for delivering the parts to the nominated place of destination. The Manufacturer is responsible for delivery of the parts and ready for unloading at the named place of destination and clearing of parts for export if applicable. An in-transit insurance according the CMR convention is arranged by the Manufacturer for each shipment. The Client is responsible for arranging import formalities / costs, taking out additional insurance on the parts during transport, if so desired, and unloading at the location of delivery.
- 7.5 Production Heroes is responsible for communication with the Client to arrange for a smooth logistics process.
- 7.6 Production Heroes can be invoiced for the logistics costs as agreed upon in the quotations / purchase orders per shipment; such costs need to be specified separate by the Manufacturer on each quotation / purchase order.
- 7.7 If costs that are due in connection with the agreement (such as but not limited to freight costs, import and export duties, costs of storage, deposit, monitoring, customs clearance, tax or other charges) are introduced or increased after the conclusion of the agreement, these will be borne by the Manufacturer, as well as the consequences of changes in exchange rates, unless explicitly agreed otherwise. Delivery occurs under the delivery conditions as referred to in the Incoterms 2020.
- 7.8 Both Production Heroes and the Client are free to take out additional insurance in the case of shipments getting lost, stolen or damaged; once the parts have left the production location and handed over to a logistics company such responsibility of additional insurance is automatically transferred to Client.
- 7.9 Details of packaging requirements for safe shipping and possible branding purposes will be advised and discussed for each product / component. The parts will be shipped in packaging with Production Heroes branding, however at additional costs the Manufacturer shall co-operate in making Client's branded packaging materials if requested. These requests and the required design files will be shared by Production Heroes with the Manufacturer to enable adding possible additional costs to the quotation.
- 7.10 Delivery of parts may be executed in one batch or partial deliveries, if so agreed upon in writing. In the latter case Manufacturer is entitled to invoice Production Heroes for parts delivered per batch.
- 7.11 The Client can select a third party / legal entity to receive the shipments from the Manufacturer (for example assembly partner), this third party will be communicated in advance with the Manufacturer by Production Heroes. If agreed upon with the Client, it will then also be the third party to inspect the shipments for approval or sending in complaints under the terms of these general conditions.

V Assignment, acceptance, amendments, variations and termination

Article 8: Assignment

- 8.1 An agreement with the Manufacturer is only formed after the assignment of the Client is given to Production Heroes and has been accepted or confirmed by Production Heroes in writing to the Manufacturer through a Purchase Order, without any reservations. The assignment in the form of a Purchase Order of Production Heroes is deemed to accurately and completely reflect the agreement, unless the Manufacturer explicitly informs Production Heroes;
- 8.1.1 Manufacturer confirms both price & volumes within 3 business days.
- 8.1.2 Manufacturer also provides a guidance on when they can confirm preferred delivery date / Leadtime's & other special conditions.
- 8.1.3 The above likewise applies to the formation of further agreements and to the amendment of existing agreements.
- 8.2 If, after acceptance of an order confirmation, circumstances arise that affect the cost price, such as changes in the prices of raw materials, off-the-shelf parts, wages, exchange rates, import duties, etc. the Manufacturer is entitled to discuss those price changes with Production Heroes for acceptance or disapproval for that particular agreement. Production Heroes needs to be informed about such matters before production starts, with the details and reasons of such increases to enable discussion with the Client. In principal increases and / or decreases within the timeframe of the agreement are considered a company risk however increases caused by delays outside the Manufacturer's influence are open for reimbursement provided proof of such increases can be provided.
- 8.3 After acceptance of the order confirmation, amendments and / or variations specified or requested by Production Heroes and / or the Client shall only be implemented by the Manufacturer if they have been confirmed by Production Heroes in writing after receiving a fully quantified request for variation, (so called VOR), indicating price consequences, delivery consequences or other circumstances. If Production Heroes, for reasons on their part, decide not to implement the specified variations, Production Heroes and / or the Client will not be entitled to dissolve the agreement in whole or in part and Production Heroes remains fully liable to pay the agreed price, or, at our discretion, terminate the agreement whilst the costs already incurred as well as the amount arising from the loss in materials and possible proven idle time by the Manufacturer. This VOR shall be presented immediately (within 5 working days) if circumstances dictate that the parts under production are affected so measures can be proposed to reduce or limit these effects.
- 8.4 Termination or dissolution of agreements, which are in progress of manufacturing, are only possible after prior written permission from Production Heroes. Production Heroes and / or the Client are then obliged to reimburse all costs already incurred by the Manufacturer, as well as proven idle losses. The Manufacturer can invoice Production Heroes for such costs.

VI Provisions regarding the parts

Article 9: Quantity of delivered parts

- 9.1 The Manufacturer is deemed to have met obligations regarding the quantity of useable parts delivered. Insufficient quantities delivered in volume or defects reported by the Client shall be compensated by the Manufacturer by credit note to Production Heroes whilst Production Heroes in part will do the same for the Client.
- 9.2 It is allowed for the Manufacturer to deviate 3% (+ and -) from the stated quantity of the order; such deviations need to be communicated in advance with Production Heroes to enable informing the Client well in advance before any delivery takes place.
- 9.3 The Client has a timeframe with a maximum of 3 workings days after delivery to report shortages and transportation damages, if related to the manufacturer, Production Heroes has 5 working days to forward the claim after receiving this from the client.
- 9.4 The Client has a total of 2 weeks to check full delivery on visual defects of parts to qualify for any compensation. Production Heroes has a further 5 working days to check validity and inform the manufacturer.
- 9.5 If the Client prefers / needs to have the missing parts delivered as soon as possible instead of receiving a credit note the Manufacturer needs to co-operate with such preference at no additional expense to the Client.

Article 10: Parts delivered by Manufacturer or third parties

- 10.1 Parts made available to the Manufacturer by Production Heroes on behalf of the Client, which need to be applied or assembled by the Manufacturer into the produced parts, must be delivered on time, free of charge to the Manufacturer in the required quantity with a surplus of 10%. For specific cases and/or expensive components a deviation from this 10% can be discussed. After completion of the order the Manufacturer needs to inform Production Heroes about the remaining quantity of parts and keep these parts on stock for follow up orders.

- 10.2 If the aforementioned parts as specified and / or arranged by Production Heroes for the Client are delivered too late or cannot be processed by the Manufacturer and this results in production downtime, Production Heroes is liable for all damages suffered by the Manufacturer as a result of this downtime, provided this situation is reported immediately at its occurrence and a detailed VOR is presented for review and approval by Production Heroes.
- 10.3 The Manufacturer is liable for the parts or other items made available by third parties directly contracted by the Manufacturer and for the proper usability thereof. Production Heroes assumes, without any investigation, that these parts, etc. can be easily used, assembled or processed in, on or to the assigned parts to be manufactured, unless other provisions have been agreed upon in writing.
- 10.4 The Manufacturer is responsible for the timely delivery of parts sourced by the Manufacturer to enable manufacturing and / or assembly of items for the Client.

Article 11: Checking of FOT / SOT and approval of o-series

- 11.1 The Manufacturer will only take the parts, to be manufactured, in production when the test (o) series provided have been approved by the Client and the Manufacturer has been notified of this approval in writing by Production Heroes.
- 11.2 The Manufacturer needs to allow access to the production / storage facilities at all times for staff of Production Heroes and / or quality control agents as appointed by Production Heroes as well as any other representative(s). For the purpose of checking the quality and approvals of production runs and for mould making procedures such as FOT / SOT, etc.

VII Guarantees

Article 12: Quality of parts and warranty on moulds

- 12.1 With due observance of the provisions elsewhere in these general conditions, the Manufacturer vouches, in the case of parts manufactured by them, on behalf of Production Heroes, for both the soundness of the manufactured parts and the quality of the material used as specified. In the case of parts manufactured by third parties appointed by the Manufacturer, the Manufacturer guarantees that the delivered sub-parts comply to the specifications and materials as agreed upon between the Manufacturer and Production Heroes
- 12.2 Defects in moulds and in parts produced using those moulds, for which the Client of Production Heroes proves within four months from the date of dispatch that such defects have arisen exclusively or predominantly as a direct result of a design error by the tool maker commissioned by the Manufacturer, or as a result of poor finishing or the use of substandard materials, and which fall outside the acceptable tolerances as specified in the quality control and/or golden sample documentation, will be remedied by the Manufacturer.
- 12.3 Costs for possible repairs within the number of warranty on single parts hereafter referred to as "shot(s)" as agreed upon in the quotation procedures and / or agreement will be covered by the Manufacturer. After the number of warranty shots has been reached the mould will be judged if any repairs are required / possible or if the mould needs to be replaced completely; the Manufacturer is in the lead for taking this decision. Both repairing and replacement costs are for the Client after the shot warranty has been reached or surpassed. In any case a written approval must be provided by Production Heroes to the Manufacturer for such procedures. The number of warranty shots needs to be stated for each part / mould in agreements made by the Manufacturer of Production Heroes.
- 12.4 When assessing economically responsible production, as referred to in paragraph 1 of this article, consideration must also be given to the advancement of technology and the adaptation of the company thereto, in terms of both volume and labour intensity.
- 12.5 Moulds, shapes, auxiliary tools, etc., that are no longer suitable for production according to the aforementioned standards; do not need to be returned by the Manufacturer and may be destroyed by the Manufacturer without being obliged to pay any compensation to the Client. Approval for such procedures need to be given in writing by Production Heroes to the Manufacturer. If client opts for a certification of destruction, then Client will bear all costs associated with receiving this certificate.
- 12.6 The guarantee given in paragraphs 1 to 3 of this article does not apply if it concerns:
 - a. defects that are the result of unsuitability of materials and/or components made available, prescribed by the Client;
 - b. defects that are the result of improper use or omission by / on the part of Production Heroes and its staff;
- 12.7 Any damages to moulds caused by the Manufacturer due to: wrongful machine use, material mistakes, accidents in logistics, cleaning procedures, etc.; shall be fixed as soon as possible and compensated in full by the Manufacturer. Additionally when damages happen due to bad faith; the Manufacturer is liable for further losses by the Client due to unavailability of parts.
- 12.8 After the full payment of the mould(s) has been received; the ownership of mould(s) is automatically transferred to the Client.

- 12.9 It is possible for the Client to retrieve their mould(s) for production at another location free of charge after a minimum amount of shots (delivered and paid for parts) has been reached. This number of shots will be discussed and agreed upon in advance between the Manufacturer and Production Heroes, these details will be added in the quotation and agreement towards the Client. Any additional costs or losses coming forward from these procedures to the Manufacturer need to be communicated, by VOR, in a clear overview by the Manufacturer to be discussed with the Client in advance for approval and compensation. Any guarantee or insurance covered by Production Heroes or the Manufacturer is lapsed on retrieving the mould(s).
- 12.10 Once all payments from a Production Heroes have been received by the Manufacturer and the required number of shots reached or surpassed both Production Heroes and the Manufacturer need to assist in the procedures to hand over the tooling if demanded by the Client; however, the Client is responsible for all arrangements, risks and costs.

Article 13: Delivery and Lead-times

- 13.1 The Manufacturer guarantees that all deliveries of parts shall be executed within the delivery dates and lead-times as agreed upon in the applicable quotation, purchase order or written confirmation provided by Production Heroes. These delivery dates and lead-times are considered binding and essential for the performance of the agreement, unless explicitly agreed otherwise in writing by Production Heroes.
- 13.2 The Manufacturer shall immediately, and no later than forty-eight hours after becoming aware, notify Production Heroes in writing of any circumstance that may cause a delay in the agreed delivery schedule. This notification shall include the reason for the delay, the expected impact on the delivery date, and the proposed corrective actions to restore the original schedule.
- 13.3 If the Manufacturer fails to comply with the agreed delivery dates or lead-times for reasons not related to force majeure as described in Article 16, the Manufacturer shall, without any additional cost to Production Heroes or the Client, arrange for express transport or any other accelerated logistics method necessary to minimise the delay. This express transport shall be executed for all deliveries that are up to one week delayed.
- 13.4 If the delay exceeds one week, the Manufacturer shall arrange express transport at their own expense and additionally reimburse Production Heroes for the resulting delay by means of either a discount on the delayed delivery or liquidated damages. Add that a meeting is set - to discuss a way forward and 'penalties' set for delays.
- 13.5 The guarantees provided in this article are in addition to, and do not replace, any other guarantees or obligations of the Manufacturer as stated elsewhere in these general conditions. Any remedy or compensation under this article does not limit Production Heroes' right to claim further damages if actual losses exceed the compensation described above and if such losses can be proven to result directly from the Manufacturer's failure to meet agreed delivery dates or lead-times.

VIII Payment terms

Article 14: Payment terms

- 14.1 Moulds: depending on the mould value and relationship with the Client; Production Heroes requests a down payment of 50 to 90% to be received from the Client before any work is started. In term the Manufacturer will receive a similar percentage value down payment of the mould value. The 2nd payment (50% to 10%) of the mould budget has to be made within 30 days by Production Heroes after the Client has received the final pre-production samples (o-series). The risk profile of the client (start-up, SME, corporate, steady client, etc) is determined by Production Heroes and dictates the percentage of the down payment.
- 14.2 The Manufacturer is only obligated to take the parts to be manufactured in production for parts of which 100% of the mould value has been fulfilled by Production Heroes.
- 14.3 Costs for changes to moulds, at request of the Client, need to be presented by VOR and will be paid for 100% in advance before execution of those changes. Production Heroes is responsible for the agreement and invoicing towards the Client, and the Manufacturer can only initiate in mould changing procedures after having received a written approval from Production Heroes and said payment.
- 14.4 For manufacturing parts: a down payment of 70% of the value of the order has to be received from Production Heroes by the Manufacturer to purchase materials and start production. The final payment of 30% of the order value will be made by Production Heroes after completion of the production run, sharing / executing of the quality control inspection report and preparations for shipping of the parts by the Manufacturer.
- 14.5 Costs to make the First Out Tool (FOT) and Second Out Tool (SOT) samples are to be included in the mould manufacturing quotation / agreement made by the Manufacturer.
- 14.6 Logistics costs to transport the samples to the Client and Production Heroes do not have to be included and can be communicated during such procedures by presenting a VOR. For each project the following options will be discussed:
 - a. Samples will be sent direct to the Client (in Production Heroes branded packaging);

- b. Samples will be sent to Production Heroes to inspect first; Production Heroes will either discuss these direct with the Client or ship the samples to the Client;
 - c. Samples will be sent simultaneously to the Client (in Production Heroes branded packaging) and Production Heroes;
- 14.7 Within 10 working days of receiving the Manufacturer's invoice, Production Heroes must check the correctness thereof and, insofar as applicable, justify their dispute of the correctness of the invoice. After the stipulated period has elapsed, Production Heroes' right to dispute the correctness of the invoice expires provided sufficient time is granted to compensate the transportation period as well as granting the Client sufficient time to execute his control(s).
- 14.8 All payments will be made by bank transfer.
- 14.9 Until payment has been received by the Manufacturer, for initiation of mould making procedures or production runs, the execution of all assignments in relation to that Client can be suspended. However, projects for other unrelated clients of Production Heroes need to be continued at all times.
- 14.10 The above payment terms may be overruled by payment conditions detailed in specific agreements agreed upon both by the Manufacturer and Production Heroes.
- 14.11 Undisputed elements of disputed invoices are open for reimbursement at the discretion of the Client and / or Production Heroes. For undisputed elements the Manufacturer will receive payment from Production Heroes.

IX Retention of title and risk

Article 15: Retention of title and risk

- 15.1 The parts produced included in any agreement of Production Heroes with the Manufacturer may not be pledged or otherwise provided as security to third parties, including hire purchase and/or hire sale, nor may these parts be sold in any way by the Manufacturer.
- 15.2 The costs of exercising title, by Production Heroes, are at the expense and risk of the Manufacturer. The Manufacturer is obliged to ensure that the parts that fall under the retention of title of Production Heroes and are insured against risks that are customary for insurance (fire, theft, water and storm damage are explicitly included herein) or that are deemed necessary.
- 15.3 The Manufacturer is obligated to inform Production Heroes immediately of the fact that third parties are asserting rights on parts that are subject to our title or future transfer of title pursuant to this article.
- 15.4 The Client is automatically in default in the event of (application for) bankruptcy or suspension of payment, being put under guardianship or under administration and liquidation. Production Heroes will inform the Manufacturer as soon as possible after having received information that any client has gone bankrupt or has become insolvent to enable the Manufacturer to take appropriate actions. In case of insolvency or bankruptcy of the Client the Manufacturer is obliged, together with the mould producer to immediately seize all activities, cancel eventual orders with others and provide a status report to Production Heroes. A VOR needs to be presented with the plus or minus consequences of this situation and a fair compensation for all parties involved needs to be agreed upon.
- 15.5 In the event of late collection and / or improper fulfilment of obligations resting on the Manufacturer and in the event that the Manufacturer requests suspension of payment or is declared bankrupt at its own request or at the request of a third party, or if seizure of his movable and/or immovable property takes place in any way, and if the Manufacturer shuts down his company or threatens to shut it down, or approaches his creditors in the context of a debt restructuring/repayment scheme, or if Production Heroes can reasonably assume that any of the aforementioned situations may occur in the very short term. Production Heroes is entitled to inform the Manufacturer in writing and to suspend any further delivery of parts or services as well as to suspend Production Heroes' future payments and to dissolve in whole or in part any agreement concluded with the Manufacturer by means of a single written notification to the Manufacturer, all without prejudice to our rights such as the right to full compensation and / or reclamation of parts and all moulds belonging or partially belonging to Clients of Production Heroes.
- 15.6 In case of bankruptcy or insolvency of the Manufacturer all co-operation must be given by the Manufacturer to Production Heroes to recover moulds and parts belonging to the clients of Production Heroes from the premises of the Manufacturer.
- 15.7 In the event of bankruptcy, insolvency, suspension of payments, or liquidation of Production Heroes, the Manufacturer shall be entitled to immediately suspend production and deliveries until reasonable clarity has been obtained regarding payment security and the continuation of the relevant agreements. The Manufacturer shall have a right of retention, to the extent permitted by law, over parts and materials in its possession for any outstanding and due claims against Production Heroes. This right of retention shall not apply to moulds that are demonstrably owned by the Client, except to the extent that such moulds are inseparably connected to outstanding and due claims relating specifically to those moulds. The Manufacturer shall, upon reasonable request, provide the curator or other

authorised representatives with a status overview of ongoing production, stock levels, and mould location. If no business continuation or assignment of contracts is realised within a reasonable period, the Manufacturer shall be entitled, after consultation with the curator, to enter into direct arrangements with the relevant Client for the continuation or completion of production relating to moulds owned by that Client. Such direct engagement shall not constitute a breach of any exclusivity or non-circumvention obligations towards Production Heroes.

X Force majeure

Article 16: Force majeure

- 16.1 If a force majeure situation occurs the Manufacturer immediately will inform Production Heroes within 24 hours after occurrence of this force majeure situation. Production Heroes will inform the Client within 24 hours after receipt of the notification by the Manufacturer.
- 16.2 Within 5 working days the Manufacturer will inform Production Heroes of the expected consequences on the agreement(s) under progress at the Manufacturer.
- 16.3 Within 5 working days the Client, Production Heroes and the Manufacturer will, by consulting all parties involved, determine the path forward to overcome this force majeure situation and how to limit the effect(s) of this force majeure situation both in costs and time consequences.
- 16.4 If a force majeure situation occurs in relation to the Manufacturer, which also includes disruptions in Manufacturer's company, or in the supply of products, materials, raw materials or resources, and if circumstances arise that result in delivery becoming unreasonably onerous and / or a disproportionate burden, the Manufacturer is entitled either to suspend delivery for a reasonable period, or, either, after expiry of the specified reasonable period or immediately, to dissolve the agreement without judicial intervention, by means of a written reasoned statement, without the Client of Production Heroes being able to derive any claim to compensation for damage suffered or to be suffered towards Production Heroes and/or the Manufacturer.
- 16.5 Production Heroes is excluded of any liability for direct or indirect damage, howsoever named, for the Manufacturer or for third parties due to suspension or dissolution as a result of the force majeure situation.
- 16.6 If it becomes impossible for the Manufacturer to continue manufacturing of the parts on the original production location due to the occurred force majeure situation, then a possibility will be granted to the Manufacturer to find a suitable alternative to ensure continued production. If no suitable solution can be found by the Manufacturer within one month of the force majeure situation, Production Heroes has the right to take all mould(s) of the clients in possession without additional charges from the Manufacturer for release to initiate production elsewhere. The Manufacturer shall co-operate fully in such procedures.

XI Complaints

Article 17: Acceptance of delivery

- 17.1 Upon receipt of the delivered parts, the Client of Production Heroes shall inspect the parts without undue delay. Any shortages or transport damage must be reported to Production Heroes in writing within three (3) working days after delivery. The Client of Production Heroes shall inspect the delivered parts for visual defects and apparent non-conformities within two (2) weeks after delivery. Any such defects must be reported to Production Heroes in writing within this period to qualify for compensation. The delivery note, consignment note, or similar document shall be deemed to accurately and completely reflect the quantity and visible condition of the delivered parts unless Production Heroes receives a timely written complaint within the applicable periods stated above. In the absence of such timely notification, the delivered parts shall be deemed accepted by the Client of Production Heroes with regard to quantity and visible condition. Production Heroes shall inform the Manufacturer of any claims within a timely manner after receipt from the Client with a maximum of 5 working days.
- 17.2 If a complaint has been made in time and after it has been proven that the delivered parts exhibit material or manufacturing defects, the Manufacturer needs, at their discretion, arrange for either free repair or full or partial free redelivery. In the event of a delivery in the context of the trade of complete parts manufactured by third parties, the Manufacturer needs to arrange for a full or partial free redelivery (FCA) at their discretion or take back the delivered parts and reproduce these parts in shortest possible time or credit / compensate Production Heroes for the invoiced value of these parts whichever situation is most convenient for the Client.
- 17.3 Production Heroes and the Manufacturer are excluded for any liability in additional costs and damages (both direct and indirect) and interest that may arise for the Manufacturer or third parties as a direct or indirect consequence of shortcomings of the parts from the Client delivered to the Manufacturer, unless intent or wilful recklessness can be proven.

- 17.4 If the exclusion of liability in the previous paragraph cannot be upheld, then the compensation is limited to a maximum of the invoice amount of the agreement (excluding VAT) from which the liability arises.
- 17.5 Both the Manufacturer and Production Heroes have no liability for the applicability of the delivered parts for the purposes intended by the Client or for any other purposes that deviate from the specifications.
- 17.6 Both the Manufacturer and Production Heroes indemnify each other for all claims for compensation of any damage, from third parties, arising from this agreement.

XII Applicable law and choice of forum

Article 18: Applicable law

- 18.1 Dutch law applies exclusively to the agreements governed by these general conditions and further agreements arising therefrom.
- 18.2 All disputes that may arise between Production Heroes and the Manufacturer are submitted exclusively to the competent court in the district of Breda, The Netherlands where Production Heroes B.V. is located. However, Production Heroes always remains authorised to summon the Manufacturer before the court that is competent according to law or the applicable international treaties.
- 18.3 In case a dispute arises both Production Heroes and the Manufacturer may select a mediator or mediators to review the case and bring out an advice on how to solve the situation without having to go to court. In case this mediation fails way to court is still open.

XIII Final provisions

Article 19:

- 19.1 If, during the execution of the agreement, personal data as referred to in the General Data Protection Regulation are processed by Production Heroes or by the Manufacturer. Production Heroes and the Manufacturer (if the General Data Protection Regulation requires this) will agree, in writing, a processor agreement that complies with the provisions of the General Data Protection Regulation.
- 19.2 In the event of a violation of the stipulated articles 2 and 5, the offending party will owe a fine that is not subject to judicial moderation of € 5.000,- and € 500 for each day that the violation continues up to a maximum of € 25.000,- euro.

Article 20:

- 20.1 Production Heroes has the right to amend these general conditions. Any changes will be communicated in advance with the Manufacturer enabling the Manufacturer to discuss these changes with Production Heroes and give approval.
- 20.2 Invalidity or nullification of part of these general conditions do not result in the invalidity or nullification of these general sales conditions.
- 20.3 Insofar as these general conditions have been translated into a language other than English, the English text is always decisive in the event of differences.