

GENERAL CONDITIONS OF FOLAT

General

Clause 1

1. In these Conditions, the following terms are defined as follows:

Folat: the private company incorporated under Dutch law, Folat B.V., with its registered office according to its articles of association at the address Diakenhuisweg 15 in (2033 AP) Haarlem (Ch. of Comm.: 340.83.586);

Customer: any natural person or legal entity, acting in the course of his/its professional or business operations and who/which has a contractual relationship with Folat on account of a purchase agreement entered into with Folat or on account of any other type of agreement.

Conditions: these General Conditions.

2. These Conditions are applicable to all quotations and offers as well as to any agreement between Folat and the Customer and all obligations arising from them.

3. Any deviations from these Conditions are only possible if they have explicitly been agreed in writing and in advance by Folat and the Customer and in that case they will only apply with regard to the specific agreement to which the deviations relate and therefore not to previous or future agreements between Folat and the Customer.

4. If or insofar as any provision of these Conditions is declared invalid or is annulled, the remaining provisions of these Conditions will remain in full force and effect.

5. The applicability of the general terms of the Customer is explicitly excluded.

If the Customer declares his own general conditions applicable to an agreement with Folat or refers to them, those general conditions will not be accepted by Folat and the General Conditions of Folat will prevail.

Quotations and agreements

Clause 2

1. All offers and quotations of Folat are without any obligation and it can revoke them at any time even if they contain a period for acceptance. Offers and quotations can also be revoked in writing within seven calendar days after having received acceptance in which case no agreement will have been formed between the parties.

2. Folat cannot be held to its quotations and offers if the Customer can reasonably understand that the quotations and offers include an obvious error or mistake.

3. Offers and quotations can only be accepted by the Customer in writing and this includes acceptance via telefax or electronically. Nevertheless Folat can choose to accept a verbal acceptance as if it was in writing.

4. Quotations and offers mentioned in advertising materials - including catalogues, price lists, brochures, websites, also those of third parties - will never be binding on Folat.

5. With due observance of the provisions in the previous paragraphs of this Clause the agreement will be formed at the moment the Customer has accepted the quotation or the offer and the conditions stipulated in it.

Price

Clause 3

1. All prices stated by Folat in the offers and quotations are excluding VAT and levies imposed by the authorities and excluding dispatch and packing costs.
2. Folat is entitled to adjust the prices or parts of them for products not yet delivered and/or not paid for if there are any changes in price-determining factors such as prices of raw materials, wages, taxes, production costs and currency exchange rates.
3. Folat will be entitled at any time to adjust the prices immediately if a legal price-determining factor would give rise to it.

Delivery

Clause 4

1. The delivery of products by Folat is subject to the manufacturing, supply and other options which are at the disposal of Folat at the moment of performing the agreement, so that Folat endeavours to observe the delivery periods as stated in the offers and quotations, confirmations and contracts as much as possible.
2. However, the periods referred to in the first paragraph of this Clause can never be considered as deadlines and in the event of a period being exceeded, the Customer will not be entitled to any compensation and it does not constitute a ground for dissolution of the agreement.
3. Unless otherwise agreed in writing and in advance, all deliveries will take place ex-works in Hoofddorp.
4. Unless otherwise agreed in writing and in advance, the carriage of the products will take place at the expense and risk of the Customer from the moment the products leave the warehouse.
5. Folat is entitled to deliver in excess or short by ten percent maximum of the delivery quantities agreed with the Customer. The price payable by the Customer will in that case be adjusted accordingly by ten percent for any excess or short delivery.
6. The Customer undertakes to enable Folat to be able to make the delivery and to give all the necessary cooperation in order to enable the delivery by Folat.

Dispatch

Clause 5

1. Regardless of the value of the dispatch, Folat will determine the delivery method.
2. Loading and unloading the products as well as their transport will not be the responsibility of Folat and will be at the expense and risk of the Customer, except in cases where Folat itself carries out the transport, the loading and unloading.

Packaging

Clause 6

1. Unless otherwise agreed in writing, all products will be delivered in their standard packaging.
2. If the Customer requests Folat to change the standard packaging or packaging volumes, the associated extra costs will be fully at the expense of the Customer.

Risk and retention of title

Clause 7

1. After the delivery of the products the Customer will bear the full risk of these products.
2. The ownership of the products delivered by Folat to the Customer will only pass to the Customer after the Customer has fulfilled all his obligations including the obligation to full payment of all invoices arising from all agreements entered into with Folat.
3. The Customer will never be entitled to encumber, pledge, transfer as a security and/or lend or give on loan and/or surrender to others in any way the products delivered under the retention of title. Neither is the Customer entitled to make any changes to the products for as long as the products are owned by Folat.

Payment

Clause 8

1. Folat is entitled at any time to demand security from the Customer for the accurate and timely fulfilment of the latter's payment obligations.
2. If the delivery of the products takes place in parts, Folat can invoice the Customer separately for each part.
3. Insofar as not explicitly agreed otherwise in writing, payment must always take place within 8 days after the date stated on the invoice and into a bank account number to be indicated by Folat.
4. If the Customer does not pay within the agreed payment period, the Customer will be in default by operation of law and from the invoice date onwards - without a notice of default being required - the Customer will owe interest of 4% per month (or any part of a month) on the amount still outstanding.
5. In the event of a payment default all judicial costs, as well as the extra-judicial collection costs incurred by Folat in order to bring about fulfilment of the Customer's obligation, will be at the expense of the Customer. The extra-judicial collection costs amount to 15% of the amount payable by the Customer, including the interest referred to.
6. Folat is entitled to allow the payments made by the Customer to serve firstly to reduce the costs, then to reduce the interest outstanding and finally to reduce the principal amount and the current interest.
7. In the event of a payment default by the Customer Folat will be entitled to suspend the performance of the agreement and all associated agreements or to dissolve the agreement.
8. The Customer will never be allowed to offset any amounts.

Conformity of the items and complaints

Clause 9

1. Folat warrants that its products meet the quality requirements which the Customer can expect considering the nature of the respective products and objective standards. In particular the products of Folat meet the requirements laid down by the Dutch authorities in connection with the relevant regulations (in the area of product safety).
2. No warranty is given with regard to discolouration or deviations of a minor nature which technically cannot be avoided and which are generally accepted in practice.
3. The warranty on the products delivered will in any case lapse with regard to wear and tear considered normal or if the damage or the defect is apparently the consequence of:
 - intention or gross negligence;
 - improper use or use for a use other than normal;
 - (over-)heating from heat sources, exposing products to dampness, extreme heat, cold or dryness and not or not properly observing the instructions for use;
4. Upon delivery or immediately afterwards the Customer must examine the products delivered to see whether they comply with the agreement. The Customer cannot invoke that the products delivered do not comply with the agreement if he omits this examination or he has not informed Folat in writing of the defects within four working days after the delivery.
5. Any defects established with regard to only part of the products delivered, do not entitle the Customer to exercise the right to complain with regard to the other part of the products delivered.
6. In the event that the products are printed, no complaints can be exercised by the Customer with regard to faults caused as a result of unclear writing. With regard to printed balloons no complaints can be submitted due to the printing quality.

Liability

Clause 10

1. The liability of Folat to the Customer for direct loss in the event of not performing, not performing in a timely manner or not properly performing the agreement is limited to the amount that will be paid in the respective case under a liability insurance taken out by Folat.
2. If the loss as meant in the first paragraph of this Clause is not covered by the liability insurance, Folat will never pay more compensation than the net invoice value of the respective products.
3. The limitation stipulated in the previous paragraphs of this Clause will also apply if Folat is held liable on grounds other than on the agreement entered into between them.
4. By direct loss is meant exclusively:
 - the reasonable costs which the Customer must incur to enable Folat's performance to comply with the agreement. Such loss will however not be compensated if the Customer has dissolved the agreement;
 - the reasonable costs which the Customer had to incur to determine the cause and the extent of the loss insofar as the determination relates to direct

loss within the sense of these Conditions;

- the reasonable costs which the Customer had to incur to prevent or mitigate the loss insofar as the Customer demonstrates that these costs resulted in the limitation of direct loss within the sense of these Conditions.

5. Folat will never be liable for indirect loss, including consequential loss, lost profits, missed savings, loss due to operational delays and all losses which are not covered by the direct loss within the sense of these Conditions.

6. The limitation of liability will not be applicable if there is intention or gross negligence of the directors and managers of Folat.

7. Notwithstanding the provisions set out in the previous paragraphs of this Clause, Folat will never be liable if the loss is due to the intention and/or gross negligence and/or culpable acts or improper or inappropriate use by the Customer of the products delivered.

Suspension, dissolution and premature termination of the agreement

Clause 11

1. Folat is entitled to suspend the performance of the obligations or to dissolve the agreement forthwith and with immediate effect if:

- the Customer does not perform the obligations under the agreement or does not fully perform them or does not perform them in a timely manner;
- circumstances come to the notice of Folat after the agreement has been formed giving good reason to fear that the Customer will not fulfil his obligations;
- the Customer was requested on entering into the agreement to furnish security for the performance of his obligations under the agreement and this security has not been forthcoming or is insufficient;
- due to delay on the part of the Customer Folat can no longer be required to fulfil the agreement under the conditions originally agreed;
- circumstances occur which are of a nature such that fulfilment of the agreement cannot possibly be required of Folat or unchanged maintenance of the agreement cannot reasonably be required from Folat.

2. If the dissolution is attributable to the Customer, Folat will be entitled to compensation for the losses including the costs directly and indirectly caused by it.

3. If the agreement is dissolved the claims of Folat on the Customer will become immediately due and payable. If Folat suspends the performance of the obligations, it will retain its rights under the law and pursuant to the agreement.

4. If on the grounds referred to in this Clause Folat proceeds to suspend or dissolve the agreement, it will for that reason not be obliged in any way whatsoever to make good the losses and costs caused by this in any way whatsoever or pay compensation while the Customer would indeed be obliged to pay damages or compensation on the ground of attributable failure.

5. In the event of a winding-up, (an application for) a moratorium or bankruptcy, a seizure - if and insofar as the seizure is not lifted within three months - at the expense of the Customer, a debt rescheduling scheme or other circumstance by which the Customer loses the free disposal of its assets, Folat will be free to terminate the agreement forthwith and with

immediate effect or to dissolve the agreement without any obligation on its part to pay any damages or compensation. The claims of Folat on the Customer will in that case be immediately due and payable.

6. After Folat has confirmed the agreement in writing, it will no longer be possible for the Customer to cancel it and the Customer will be obliged to buy the items from Folat pursuant to the agreement.

7. If the Customer cancels the agreement in whole or in part and Folat agrees to this, the Customer will be charged integrally for the costs already incurred by Folat for it and the working hours reserved for the performance of the agreement, also those of third parties engaged by Folat.

Force majeure

Clause 12

1. Folat is not obliged to fulfil any obligation to the Customer if it is prevented from doing so as a result of a circumstance not attributable to its fault or which is not chargeable to it by virtue of the law, legal act or common opinion.

2. The term force majeure in these Conditions means - apart from what it means in legislation and case law - any external causes whether or not foreseen which are beyond the control of Folat but which cause Folat to be unable to fulfil its obligations. Folat is also entitled to invoke force majeure if the circumstance preventing (a further) performance of the agreement occurs after Folat should have fulfilled its obligation.

3. During the period that force majeure continues Folat can suspend the obligations under the agreement. If this period exceeds two months, either party will be entitled to dissolve the agreement without any obligation to pay damages to the other party.

4. Insofar as during the force majeure period Folat had already partly performed or will be able partly to perform its obligations under the agreement and the part performed or to be performed respectively has independent value, Folat will be entitled to invoice for the part already performed or to be performed respectively. The Customer is obliged to pay this invoice as if this constituted a separate agreement.

Intellectual property rights

Clause 13

1. The products and packaging offered and delivered by Folat are protected by intellectual and industrial property rights.

2. The Customer will never be allowed to reproduce the products and packaging offered and delivered by Folat, or to have them reproduced by third parties, or to act otherwise as a result of which the rights as mentioned in the first paragraph of this Clause are infringed.

3. If the Customer acts in contravention of the previous paragraph, Folat reserves all rights to take immediate legal action against the Customer.

Applicable law and disputes

Clause 14

1. Dutch law applies exclusively to all legal relationships in which Folat and the Customer are a party, even if a contractual obligation is fully or partially executed abroad or if the Customer involved in the legal relationship is

domiciled abroad. The applicability of the Vienna Sales Convention is explicitly excluded.

2. The parties will rely on the court only after they have done their utmost to settle any dispute in mutual consultation.

3. Any disputes between Folat and the Customer will be submitted exclusively to the competent court of the district court of Noord-Holland, based in Haarlem.

Reference and amendments to these Conditions

Clause 15

1. The most recent version of these Conditions mentioned most recently on Folat's website are at all times applicable or the version which was applicable when the legal relationship was formed with the Customer. The Dutch text of the General Conditions is at all times determinant for their interpretation.