

1. All commercial transactions between the limited company 'SEDAC – MECOBEL', with its registered office at Vlamingsstraat 7, 8560 Wevelgem, VAT BE 0405.490.979, RPR Kortrijk and its associated companies in the meaning of Article 5 of the Belgian Companies Code (hereinafter: 'SEDAC – MECOBEL') and the client are governed by these general terms and conditions.

By placing his order the client confirms that he has taken cognisance of these general terms and conditions and that he accepts them.

These terms and conditions always prevail over the terms and conditions of the client, even if these stipulate that they apply exclusively.

The fact that one or more provisions in these terms and conditions become null and void shall not affect the validity of the remaining provisions. If one of the provisions is null and void, SEDAC – MECOBEL and the client, to the extent possible and based on their loyalty and conviction, shall negotiate to replace the null and void provision with an equivalent provision that approaches the general spirit of these general terms and conditions as closely as possible.

SEDAC – MECOBEL reserves the right to amend or modify its general and special terms and conditions at any time.

2. A quotation/price list provided by SEDAC – MECOBEL is entirely free of obligation and can only be seen as an invitation to place an order by the client, unless expressly stated otherwise.

The price, description and characteristics of goods are purely indicative. SEDAC – MECOBEL is entitled to make technically necessary changes to goods, without the client being able to derive any rights whatsoever from this.

Quotations only include those goods expressly mentioned in them, to the exclusion of additional work resulting from a change to the order by the client, unforeseen circumstances or any other reason whatsoever.

Non-functional differences between specifications and quality statements and the actual implementation of the delivered goods do not grant the client any right to any compensation in any form or on any basis whatsoever.

3. An agreement is not concluded until confirmation of the client's order in writing or by e-mail by a person authorised to bind SEDAC – MECOBEL.

Representatives/agents of SEDAC – MECOBEL are not authorised to enter into undertakings or receive moneys in its name.

Any changes or additions to the order after it has been concluded are only valid with the written agreement of both parties, including in relation to payment terms and delivery times.

The price of such amendments or additions will be calculated on the basis of price-determining factors in effect at the time that the amendments or additions are agreed.

In case of cancellation of an order or purchase, even in part, SEDAC – MECOBEL reserves the right to charge the client for damages amounting to 25% of the price of the cancelled order or purchase with a minimum of five hundred Euros (€ 500.00), without prejudice to SEDAC – MECOBEL's right to compensation of higher proven damages, but not limited to the cost of the materials or goods ordered.

4. Any documents/information of any kind whatsoever provided to the client: (1) must be treated as confidential, (2) remain the property of SEDAC MECOBEL, (3) must not be disclosed to third parties, and (4) must not be used (in)directly for purposes other than those for which they are intended.

Such documents must be returned to SEDAC – MECOBEL on first request.

These obligations remain in force at least until the information in question is in the public domain without the client's fault.

5. The expected delivery date indicated is always an approximation. Exceeding the planned date shall in no case lead to a fine, damages, substitution or dissolution of the agreement at SEDAC – MECOBEL's expense. Nor will a delay in the delivery lead to cancellation of the order. A delivery that is inadequate or incomplete cannot justify withholding or delaying payment of the sums owed.

Any changes to the order shall automatically void the stated delivery terms.

SEDAC – MECOBEL is never liable for delays incurred as a result of default by suppliers of SEDAC – MECOBEL, the client or any other third party.

Exceeding the delivery term does not relieve the client of his obligations.

6. Any unavoidable circumstances that could not reasonably be foreseen when the agreement was entered into that make it impossible for SEDAC – MECOBEL to execute the agreement or that make execution of the agreement more difficult financially speaking or otherwise than is normally

speaking foreseen (such as but not limited to war, weather conditions, fire, seizure, delays due to or the bankruptcy of suppliers, illness, shortage of personnel, strikes, lock-outs, late shipment, changes to customs tariffs, conditions within the company, the client failing to provide SEDAC – MECOBEL with the necessary information for the execution of the order, receiving incorrect information or the delivery of insufficient or unsuitable raw materials by the client), shall be deemed cases of force majeure.

They entitle SEDAC – MECOBEL to request that the agreement be revised, suspended and/or dissolved by sending a notification in writing to the client, without SEDAC – MECOBEL owing any compensation.

7. Goods are always delivered EX WORKS (Incoterms 2010) from the SEDAC – MECOBEL company premises unless explicitly agreed to the contrary.

Risk with regard to the goods shall transfer at the time of delivery of the goods and in any case at the latest when loading the goods commences. Any costs relating to receipt of the goods shall always be borne by the client.

Storage of goods while awaiting delivery or collection is always at the client's risk. Goods ordered by the client will be stored free of charge at our company premises for a maximum period of 5 working days starting from the delivery date notified to the client. After this period SEDAC – MECOBEL reserves the right to charge the client storage costs, fixed at a lump sum of 10% of the invoice value of the stored goods for each month commenced.

8. The client shall carry out an initial verification before the goods are loaded. This obligation to carry out immediate verification relates among other things to: (non-exhaustive list) quantity, composition, dimensions, conformity of the delivery, visible shortcomings, correct location(s), etc.

The client must notify immediately verifiable deviations before starting to load the goods and in any event before using or processing them in writing to SEDAC – MECOBEL, failing which the client is deemed to have accepted the goods.

Minor deviations with the usual tolerances cannot constitute grounds for the client to make complaints, demand compensation or request cancellation of the order.

SEDAC – MECOBEL's liability is limited to the replacement, repair or subsequent delivery of missing or faulty goods.

9. Any complaint due to hidden defects in production or materials must be notified in writing within 10 working days after they are discovered and at the latest within a time limit of two years after they are shipped from SEDAC – MECOBEL, with a clear description of the problem discovered.

On discovering any shortcoming, the client is obliged to immediately stop all further use, processing or handling of the goods in question and then do everything reasonably possible to prevent (further) damage. The client is moreover obliged to grant every cooperation desired by SEDAC – MECOBEL to investigate the complaint, including giving SEDAC – MECOBEL the opportunity to (i) examine the proof of purchase and/or (ii) to (arrange to) investigate the circumstances of processing, handling, installation and/or use on the spot.

Any returns of goods delivered by SEDAC – MECOBEL must first be approved in writing by SEDAC – MECOBEL. If there is no such approval, any returns will be refused and any costs arising from this shall be charged to the client.

In case of agreement on returning the faulty goods, SEDAC – MECOBEL will pay the shipping costs associated with taking back the faulty goods, the shipping of replacement goods or replacement parts, from the SEDAC MECOBEL factory to the client's premises. Under no circumstances will SEDAC – MECOBEL pay for any other shipping costs, dismantling, installation or other wage costs.

If an on-site investigation appears to be impossible or unsuitable, or if the faulty goods cannot be sent back to SEDAC – MECOBEL, the following minimum information must be sent to SEDAC – MECOBEL before it can implement any warranty:

- (i) date of processing and/or use of the faulty goods;
- (ii) description of the defect, documented with photos;
- (iii) production date, serial number, model/type (this information is available on the yellow label on the machinery).

SEDAC – MECOBEL cannot be held liable for, nor does the warranty offer cover for:

- (i) defects that are the result of injudicious use or failure by or on the part of the client or his employees;
- (ii) defects that are due to normal wear and tear, incorrect treatment, extraordinary loads, use of unsuitable company resources, external influences or damage caused by force majeure;

- (iii) damage to the goods after loading, including damage arising from injudicious design or production processes at the client, incorrect installation or assembly contrary to the specifications, or injudicious start-up or use of the goods;
- (iv) damage to the mattress after the protection is removed;
- (v) damage to the slats or poly deck.

**10.** No claim for indemnity by SEDAC – MECOBEL for hidden defects or non-conformity can subsist after expiry of one of the aforementioned periods.

The client is not entitled to suspend fulfilling his payment obligations because he has lodged a complaint. He is obliged to remunerate costs made as a result of unjustified complaints.

The warranties that SEDAC – MECOBEL offers the client are at its own discretion and remain limited to (full or partial): (i) replacement, (ii) repair or (iii) crediting of the goods to the client affected by a defect, whether or not the goods are taken back (at SEDAC – MECOBEL's discretion).

**11.** Subject to an express agreement to the contrary, the warranty provisions described in these general terms and conditions are the sole provisions which the client can invoke towards SEDAC – MECOBEL in the event of defects discovered in production or materials; this is only possible within the aforementioned time limits.

This warranty only applies to the direct client of SEDAC – MECOBEL. If the latter offers a warranty to its own customers which deviates from the aforesaid provisions, SEDAC – MECOBEL is under no circumstances required to offer indemnity for the warranty provisions granted by the client in deviation from those of SEDAC – MECOBEL.

With the exception of the indemnity given by SEDAC – MECOBEL in accordance with the warranty provision above, any liability of SEDAC – MECOBEL is limited to the invoice value of the goods delivered by SEDAC – MECOBEL and in any case to the mandatory, statutory liability.

In no case is SEDAC – MECOBEL obliged to remunerate consequential damage (such as but not limited to loss of profits or damage to third parties).

Nor is SEDAC – MECOBEL liable for defects that are caused directly or indirectly by an action by the client or a third party, regardless of whether they are caused by an error or negligence.

Allocation of the goods by the client himself or by a third party shall occur entirely at the client's responsibility and risk. In that case SEDAC – MECOBEL cannot be held accountable in any way for direct or consequential damage ensuing from this allocation.

**12.** SEDAC – MECOBEL reserves the right to legally dissolve the agreement without notice of default, if the client fails to fulfil his obligations or if confidence in the client's creditworthiness is shaken due to legal measures against the client or other events that raise doubts about the proper execution of the obligations entered into by the client, without prejudice to the right of SEDAC – MECOBEL to claim damages.

**13.** Except where explicitly stated to the contrary, SEDAC – MECOBEL's prices exclude VAT and other taxes as well as delivery, transport, travel, insurance and administration costs.

SEDAC – MECOBEL furthermore always reserves the right to ask the client for an advance, payment in full or a bank guarantee before proceeding to execute the agreement. If the client refuses to comply with this, SEDAC – MECOBEL reserves the right to cancel the order in full or in part, even if the goods have already been shipped in full or in part.

**14.** Unless agreed to the contrary, all SEDAC – MECOBEL's invoices are always payable in full in cash on the invoice date at SEDAC – MECOBEL's registered office without any discounts. Invoices can only be disputed in writing by means of a registered letter sent within 5 days of the invoice date, stating the invoice date, invoice number and giving detailed reasons.

For each invoice that is not fully paid on the due date, late payment interest will be automatically charged without prior notice of default at a rate of 1% per month of payment arrears, whereby each month commenced shall be deemed a full month and in addition the sum owed shall be increased by any collection costs incurred by SEDAC – MECOBEL relating to the collection of the debt as well as by 12% of the invoiced sum, with a minimum of EUR 750.00 (ex. VAT) as fixed compensation, without prejudice to SEDAC – MECOBEL's right to demand higher compensation.

If the client continues to fail to pay one or more outstanding claims to SEDAC – MECOBEL, the latter reserves the right to immediately halt any delivery or execution without notice of default and to deem other orders as cancelled in which case the fixed damages as stipulated in point 3 will be due.

In addition, this will entail all other invoices, even those that are not yet due, becoming due and payable and any terms of payment granted becoming null and void. The same applies in case of impending bankruptcy, judicial or amicable dissolution, requests under the Company Continuity Act, suspension of payments, as well as any other fact that points to the client's insolvency.

The unconditional payment of part of an invoice always entails the explicit acceptance of the invoice.

Payments on account are accepted subject to reservations and without any prejudicial admission and shall first be attributed to the collection costs, then to the damages, the interest due and finally to the principal, whereby priority is given to the oldest outstanding principal.

**15.** In accordance with the provisions of the Financial Securities Act of 15 December 2004, SEDAC – MECOBEL and the client will automatically by force of law compensate and set off all current and future claims on each other. This means that in the permanent relations between SEDAC – MECOBEL and the client only the largest claim on balance will remain after the said automatic set-off. Such a set-off of debts can in any event be enforced against the liquidator and other unsecured creditors, who will therefore not be able to object to the debt set-off performed by the parties.

**16.** Goods supplied by SEDAC – MECOBEL remain the property of SEDAC – MECOBEL until full payment of the amounts due (principal, interest and costs) by the client.

It is therefore prohibited for the client either to sell or pledge the goods to a third party or to dispose of them in any way as long as the full price has not been paid. If the client should fail to abide by this prohibitory clause he will be liable to pay fixed compensation amounting to 50% of the amount due. If the goods are nonetheless sold to a third party, then the right to the resulting sale price will be substituted for the good sold.

Processing of the goods by the client does not result in any transfer of title. If after processing the goods other products are processed not belonging to either the client or to SEDAC – MECOBEL, SEDAC – MECOBEL will become the co-owner of the new product to the value of the goods to which retention of title applies.

If the client wishes to sell the processed goods, he shall transfer the amount that he receives for the goods, whether processed or not, to which retention of title applies, to SEDAC – MECOBEL as payment for terminating the retention of title and as a guarantee for SEDAC – MECOBEL to the value of the goods subject to such retention of title.

The parties agree that the different transactions/contracts between them shall be considered part of one economic entity and that SEDAC – MECOBEL shall always retain title to the goods in the possession of the client at that time as long as the client has an outstanding debt towards SEDAC – MECOBEL.

**17.** The client authorises SEDAC – MECOBEL to store personal data provided by the client in an automated database.

Such data will be used with a view to conducting information or promotional campaigns in connection with the services and/or products offered by SEDAC – MECOBEL in the context of the contractual relationship between SEDAC – MECOBEL and the client.

The client can always request that his data be notified to him and improved. If the client no longer wishes to receive commercial information from SEDAC – MECOBEL the Client must inform SEDAC – MECOBEL thereof.

**18.** The (repeated) failure by SEDAC MECOBEL to apply any right can only be deemed toleration of an existing situation and does not lead to forfeiture of rights.

**19.** Any disputes arising from these general terms and conditions and also from any other agreement concluded between SEDAC – MECOBEL and the client come under the exclusive jurisdiction of the courts of the legal district where SEDAC – MECOBEL has its registered office, unless SEDAC – MECOBEL decides that the courts of the legal district where the client has its registered office are competent.

Belgian law applies to the exclusion of Articles 1-4, 40 and 89-101 of the Vienna Sales Convention.

**20.** Unless expressly agreed otherwise the client accepts that the language of these general terms and conditions is also the language for all commercial transactions with SEDAC – MECOBEL. Translations or documents drawn up in another language are only for the Client's convenience.