

CONSIGNMENT STOCK AGREEMENT

between

[_____]

and

[_____]

CONSIGNMENT STOCK AGREEMENT

The undersigned:

1 [____], a private company with limited liability, established under the Laws of [____], having its registered office and its principal place of business at [____], hereinafter referred to as: "**A**", duly represented by [____];

and

2 [____], a private company with limited liability, established under the Laws of [____], having its registered office and its principal place of business at [____], hereinafter referred to as "**B**", hereby duly represented by [____]

The parties under number (1) and (2) hereto each individually referred to as "**Party**" and two or more of them as "**Parties**",

Whereas:

- A and B have verbally concluded an distribution agreement, hereinafter referred to as the "Distribution Agreement", regarding the distribution of various products of A, as specified in Schedule A hereof, hereinafter referred to as the "Products";
- Parties agreed, that B will render logistics services to A as described herein;
- Parties agreed that A shall grant B a compensation for rendering its logistics services to A;
- Parties are willing to lay down their legal relationship in writing.

Have agreed as follows:

1 Subject

1.1 Within the framework of this agreement B agrees to render its logistic services to A by carrying out the storage, transport and handling the costs of the Products, mentioned in Schedule A hereto, forming an integral part of this Agreement. As described in article 5.2 hereof, the transport costs will be invoiced to A separately, unless Parties agree otherwise.

1.2 A agrees to make available to B all information, which B shall deem necessary in order to perform its obligations hereunder.

2 Establishment of a consignment stock

- 2.1 As from [_____], the Parties hereto have established a consignment stock, hereinafter referred to as the "Stock", at B's premises at [_____] or the premises so designated by B. The storage premises are known to A and are considered by it to be appropriate for that storage.
- 2.2 In order to safeguard a smooth logistic network, A will constantly keep a Stock as to be indicated and ordered for storage in writing by A. **IS THIS APPLICABLE?** A is not allowed to exceed the maximum of [_____] (one_____) pallets of Products.
- 2.3 The Products delivered by A to the Stock shall remain A's property. All delivered Products will be stored for the risk and account of A, under the conditions set forth in article 3.4 hereof. A will ensure that all Stock to be delivered at B's premises or at premise so designated by B will be clearly marked with the name A, or any other affiliated company of these companies in order to ensure that A's property is clearly recognisable.

3 Management of the consignment stock

- 3.1 B shall store and keep the Stock with the diligence of a prudent businessman and protect it against any kind of damage or loss. B shall be liable for any kind of damage or loss of the Products in Stock, but not further than the insurance will pay on the insurance policy mentioned below.
- 3.2 B shall, at its own expense (OR the expense of A), insure the Products stored in the Stock against any damages or loss, such as but not restricted to, fire, storm, theft and force majeure. The existing insurance policy of B has been presented to and approved by A. B will provide on request the proof of the correct payment of the premium.
- 3.3 All goods arriving for storage at B premises or the premises so designated by B must be preceded by a written storage order by A, mentioning marks, codes, numbers and all available data of the Products to be entered in storage. Products arriving without such prior storage order wll be refused immediately. All arriving Products will be externally controlled on said marks, numbers etc. and will be given a storage receipt by B. Possible differences between the storage-order respectively the packing list of A and the storage-receipt by B will immediately be reported to A. B will not be responsible for these differences. The administration of these storage-receipts together with the packing mentioned hereunder in article 5.1, are decisive

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proof of the number of Products in Stock. In case there might be any differences which do not exceed 10% (ten percent) of the total value of this Stock, the difference will be for the account of A. In case the difference exceeds the aforementioned 10% (ten percent) of the value of the Stock, the total difference will be for the account of both parties jointly.

- 3.4 In making a proper and correct inventory a difference which amounts to a maximum of 10% (ten percent) of the value of the Stock shall be for the account and risk of A. In case the difference exceeds the aforementioned 10% (ten percent) of the value of the Stock, the total difference will be for the account of both Parties jointly.

4 Right of Inspection

- 4.1 A shall have the full right and power to have the Stock inspected and examined by a designated person, during office hours of B and after previous notice.
- 4.2 B shall inform A about all extraordinary occurrences concerning the Stock.

5 Withdrawals from the consignment stock

- 5.1 Products in storage will be only withdrawn from the Stock upon prior receipt by B of a written order by A indicating the marks, codes, numbers and exact addresses of the Products to be withdrawn from the Stock. According to this written order a packing list will be provided by B. A will take care that the withdrawal orders are specified in such a way as to enable B to withdraw the Products on a first-in-first-out basis.
- 5.2 B is entitled to withdraw from A's stock as well for the purpose of sale and distribution of Products for its own account and at its own risk. B shall inform A of these withdrawals indicating the marks, codes, numbers and exact addresses of the Products and shall pay A the prices as agreed and invoiced by A.
- 5.3 B shall take care for the transport of the Products from its warehouse to the address of the customer of A. A shall take care of a proper and sufficient insurance regarding the transport of the Products to the customers. The transport costs will be invoiced to A on a monthly basis.
- 5.4 A will provide B with all relevant and completely filled out documents necessary to transport the Products. The Products will only be transported in box units.

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- 5.4 B cannot be held liable for any damages as a consequence of her performance of the logistic services unless caused by its negligence. A guarantees to hold B irrevocable and unconditionally harmless against any and all claims of third parties (especially but not limited to customers of A) concerning the performance by B of the logistic services on request of A.

6 Exclusive Use of Information

All assistance, information and advice given under the terms of this agreement is for exclusive use of B only and shall not be transferred, sold or made public in any way whatsoever to any third party without the prior written consent of A.

7 Payment procedures

- 7.1 Parties agreed that A shall grant B a compensation for rendering its (logistics) services to A. The aforementioned compensation is par of the lump sum payment of A to B as specified in Article 2 of the Termination Agreement.
- 7.2 A shall invoice its customers directly, without the intervention of B. The customers have to place their orders with A directly and B is not allowed to take and car out orders from the customers of A.

8 Term and Termination

- 8.1 This agreement shall be effective as of [_____] and shall remain in force for an unlimited period of time, unless the Agreement is terminated with a notice period of six months ending at December 31 of the respective year.
- 8.2 A Party shall have the right to terminate this agreement forthwith without further notice or judicial intervention in case:
- (a) the other Party does not fulfil any obligation, undertaking, term or condition of this agreement and if capable of being remedied shall not have remedied same within a reasonable period of time after the receipt of a written notification specifying the breach, without prejudice to the other lawful rights; or
 - (b) the other Party ceases to carry on business, has a receiver appointed of its assets, enters into liquidation whether compulsory or voluntarily, or otherwise becomes subject to insolvency laws.
- 8.3 Termination of this agreement for whatever reason shall not affect any rights and obligations of any of the Parties accrued prior to such termination.

9 Confidentiality

The Parties hereto shall keep confidential any and all information, facts and events of which they become aware in connection with this agreement and the execution thereof and of which the publication may cause harm or damage to the interest of the other Party.

10 Miscellaneous

- 10.1 This agreement constitutes the entire agreement and supersedes all former agreements, arrangements and/or covenants between Parties insofar as the same may have related to the subject matter hereof, but without prejudice to existing rights and obligations thereunder.
- 10.2 This agreement shall be binding on Parties, their successors and assignees, provided however that this agreement may not be assigned, transferred or mortgaged by either Part nor may it devolve by operation of law, in whole or in par, directly or indirectly to any other person without prior written consent of the other Party.
- 10.3 All Annexes, schedules etc. to this agreement will form an integral par thereof.
- 10.4 This agreement shall be construed in accordance with and governed by Dutch law. All questions and differences whatsoever which may at any time hereafter arise between the parties relating to the meaning, construction or effect of any matters contained herein shall, if the Parties are unable themselves to resolve the same, be submitted to the competent Court of [_____], The Netherlands.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto have executed this agreement in two identical copies in _____on _____, and each of them has taken a copy hereof,

Managing Director