

General terms and conditions of delivery

of

JLMAG Rare-earth Co Europe B.V.

1. Applicability

1.1 JLMAG Rare-earth Co Europe B.V. ("JLMAG") is a private company with limited liability incorporated under the laws of The Netherlands and registered with the Chamber of Commerce under number 56054017.

1.2 These General Terms and Conditions shall apply to all requests, quotations, offers, agreements under which JLMAG delivers any goods or services to clients (the "client") and/or to any goods or services delivered by or through JLMAG to clients. These General Terms and Conditions may be amended by JLMAG from time to time. An amendment shall automatically become effective upon publication of the full text of the amended General Terms and Conditions on JLMAG's website.

1.3 Any general terms and conditions of delivery/supply and/or payment of client or any other general and/or special terms and conditions shall not apply or are hereby expressly rejected.

2. Offers and quotations

All offers and quotations, as well as all data provided by JLMAG in advertisements and printed matter shall be without engagement, unless explicitly agreed upon otherwise. If the offer is made up of several amounts, JLMAG shall not be under the obligation to deliver a part against a corresponding part of the price given in the offer.

3. Agreements

3.1 Agreements and changes thereto shall be established (hereinafter also referred to as "Agreements"):

- (a) by signature on the date of signature by both Parties of an offer submitted by JLMAG or some other document;
- (b) on the date of receipt of JLMAG's written confirmation (in whatever form) of its acceptance of client's application.

3.2 In the event that client makes available any quality manuals or similar manuals, JLMAG will make an effort to act in accordance with such guidelines and/or principles as set out in such quality manuals. Except if explicitly agreed in writing otherwise, such quality manuals will not become part of the Agreement.

4. Delivery

4.1 All delivery times stated by JLMAG shall be approximate and shall never be construed as deadlines. If JLMAG does not meet a delivery time it shall not constitute as a breach by JLMAG.

4.2 JLMAG and client shall consult with each other as soon as possible in the event JLMAG expects a delivery term will be exceeded.

4.3 Goods not taken up when the term of delivery has expired, shall remain at client's disposal and shall be stored for his account and risk.

4.4 Upon receipt of the goods, client shall be under the obligation (i) to inspect the goods for potential shortcomings and/or damages and (ii) to ensure that shortcomings and damages (if any) are mentioned on the delivery note.

4.5 All deliveries may be made in parts and can be invoiced separately.

5. Ownership

5.1 The risk of destruction, loss, theft or degradation of goods shall transfer to client at the time of delivery.

5.2 All goods delivered shall remain JLMAG's ownership, until all claims JLMAG has or shall acquire vis-à-vis client are paid in full.

5.3 If client fails to fulfil any of his obligations under the Agreement or these terms and conditions or by any other virtue, JLMAG shall be entitled to take the goods back without further notice of default.

5.4 Client shall notify JLMAG forthwith of the fact that third parties enforce rights to goods to which a retention of title on the part of JLMAG is attached.

5.5 Until obtaining ownership, client shall refrain from selling or pledging the goods or granting third parties any right to the goods, subject to the normal running of his business. At JLMAG's first request to that effect, client shall undertake to co-operate with the establishment of a right of pledge to the goods of which the goods delivered by JLMAG have become a part and/or to the claims client acquires or shall acquire on his clients pursuant to resale of the goods.

6. Materials or semi-finished goods delivered by client

6.1 In the event client makes materials or semi-finished goods available, he shall also have to deliver extra quantities in connection with material going to waste.

6.2 In the event client delivers additional materials after the beginning of the execution of the order, it shall be his responsibility to see to it that the quantity of additional materials delivered is correct. Unless he can prove that there is a matter of fault or gross negligence on the part of JLMAG. JLMAG

can charge client for the costs of storage and control of the additional materials delivered.

6.3 Upon delivery of materials by client, the packaging, material going to waste, dies etc. shall become the property of JLMAG.

7. Payment

7.1 If not explicitly agreed upon otherwise in writing, payment shall have to be made upon delivery, under deduction of an advance payment or a down payment (if any). In the event of deliveries in parts, the stipulations of the previous sentence shall apply accordingly.

7.2 Prior to and during the execution of the order, JLMAG shall be entitled to require security for correct payment. If client fails to furnish satisfactory security, JLMAG shall be entitled to stop further work.

7.3 Without any kind of notice of default being required to this effect, client shall be in default when he does not fulfil his obligation to pay or any other obligation resulting from the Agreement with JLMAG, the present terms and conditions or the law or does not fulfil such obligations in due time.

7.4 The claim to partial or full payment of the price agreed upon shall become due and payable immediately upon non-payment or late payment of the instalment agreed upon, if client is declared bankrupt, files for suspension of payments or if a guardianship order against him has been requested, if the goods and/or claims of client are attached in any way and if client dies or if his business is wound up.

7.5 If a (partial) invoice remains unpaid after the due date of payment statutory interest may be due for each month, or part thereof, during which an invoice remains unpaid, without further notice being required.

7.6 On top of the principal and the interest for overdue payment, client shall owe all costs caused by his non-payment or overdue payment. The extrajudicial collection costs are fixed at 15% of the principal plus interest, with a minimum of € 75.00 increased by the VAT due. The extrajudicial costs shall be owed as from the moment client has been declared to be in default in any way.

8. Termination

8.1 Each of the parties may terminate the Agreement in part or in whole with immediate effect, without notice of default or judicial intervention being required and without any further legal liability to the other party, if:

- (a) the other party does not comply, does not comply on time or properly with any obligation under the Agreement, provided that the party wishing to terminate the Agreement gives the other party prior, immediate and valid notice of its default and set a reasonable period of time to remedy the failure and after this period the other party still imputably fails to comply with its obligations;
- (b) bankruptcy or a moratorium of payments of the other party has been applied for or pronounced;
- (c) the other party no longer has the free disposal of its assets or substantial parts thereof on account of attachment, discontinuance of its enterprise or liquidation of its assets, being placed in receivership or otherwise;
- (d) if a force majeure event (as meant in clause 9 below) prevents the continued performance of the Agreement for more than 8 weeks.

8.2 Termination on the basis of the abovementioned events will never result in an obligation for parties to reverse the performance of the obligations which they have already received (*ongedaanmakingsverbintenis*).

8.3 Without prejudice to client's right to terminate the Agreement in accordance with clause 8.1 above, client shall only be entitled to terminate the Agreement based on any other grounds if JLMAG explicitly agrees to such termination. If JLMAG agrees to the termination of the Agreement, it shall have the right to charge client 10% of the principal due to loss of profit. In addition, client shall be held to compensate JLMAG for the expenses the latter has already made in connection with the order.

9. Force majeure

9.1 If a force majeure event (as meant in clause 9.2 below) occurs as a result of which a party is unable to (continue to) perform its obligations under the Agreement for more than 8 weeks, either party shall be entitled to terminate the Agreement in accordance with clause 8 above.

9.2 Force majeure (*overmacht*) shall be understood to be any cause beyond JLMAG's control, including (i) explosions, fires, flood, earthquakes, volcanic eruptions (or similar natural phenomena) catastrophic weather conditions, diseases, epidemics; (ii) acts of war, acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; (iii) acts, orders, measures or any other decisions of national, local or foreign governmental authorities or courts, national or state of emergencies, or changes in laws, including governmental acts, orders or measures or changes in laws or regulations impacting the rare earth supply chain; (iv) labour disputes, strikes or other industrial action, whether lawful or unlawful; (v) failures or fluctuations in electrical power or telecommunications service or equipment, expropriation, condemnation of facilities or destruction, in whole or part, of the equipment or property necessary to perform obligations, (vi) non-delivery or late or wrong deliveries by suppliers.

10. Complaints

10.1 Potential complaints concerning the delivery and/or the invoice shall have to be filed in writing within 14 days from the day of delivery of the goods and/or the invoice date. Client shall be deemed to have agreed to the delivery and/or the invoice following expiry of said term.

10.2 Client shall in no case whatsoever be entitled to enforce a right vis-à-vis JLMAG when client has put into use (a part of) the goods delivered, processed or treated them or resold them to third parties.

10.3 In the event a complaint is justified, JLMAG shall be at liberty to proceed to repair the defect free of charge (unless such is unacceptable to client due to the delay arising) or to refund the price agreed upon.

10.4 If a complaint is filed in connection with a part of the delivery, such a complaint shall not give rise to the right to reject the entire delivery.

10.5 JLMAG shall not be held to accept complaints caused by the consequences of errors in the models, copy or information carriers, etc., provided by client.

10.6 All goods to be delivered shall first have to be put at client's disposal for approval. Following approval of said goods, client can no longer file complaints concerning said goods.

10.7 All models, drawings, etc., made by JLMAG, shall at all times have to be submitted to client for approval, before they can be actually produced and/or realised.

11. Price changes

11.1 Parties acknowledge that the rare earth supply chain is ever evolving and is and has been subject to technological, sociological, political, economical (including inflation or deflation), ecological or geologic changes as a result of which prices may increase or decrease within a relatively short period of time. Therefore, parties agree that if and to the extent there are price increases or decreases of prices agreed upon with client for goods or services that result from price increases of the relevant rare earth materials or semi finished products the following shall apply:

- (a) price increases (irrespective of the reason) of prices agreed upon with and/or charged to client which increases result from price increases of materials or semi-finished products up to 5% shall be charged onto client; and
- (b) if prices agreed with and/or charged to client increase or decrease beyond 5% parties, as a result of price increases or decreases of materials or semi-finished products, shall as soon as reasonably practicable re-negotiate the prices and/or other parts of the agreement affected by the price increase or decrease.

11.2 If parties are unable to reach agreement as meant in clause 11.1 (b) above, either party may terminate the agreement (without retrospective effect) with immediate effect.

11.3 Changes to taxes and charges levied by government authorities can be charged onto client.

12. Right of retention

JLMAG shall be entitled to keep the goods belonging to client which he retains possession of, in his custody until client has fulfilled all of his obligations. Aforementioned right of retention shall equally apply in the event client is declared bankrupt.

13. Liability

13.1 JLMAG accepts liability to the extent this results from this article.

13.2. JLMAG's liability for indirect damage, including but not limited to consequential damage, loss of profits, missed savings and damages due to business stagnation, is hereby excluded.

13.3 JLMAG shall not be liable for damage, loss or destruction of materials and/or data which have been put at his disposal by client. Client shall have to insure valuable materials and/or data.

13.4 JLMAG shall not be liable for the fact that the work done does not meet the intended purpose if client has not made materials and/or data available which JLMAG had to use.

13.5 JLMAG's total liability under the Agreement is limited to compensation of the actual and direct damages up to a maximum of the (invoiced) amount (excluding VAT) paid by client with respect to the goods that caused the damage.

13.6 Client shall indemnify JLMAG against claims of third parties which result directly or indirectly from the Agreement.

13.7 The limitations of liability set forth in this clause shall not apply if and insofar as (i) the damages are the result of a party's wilful intent or gross negligence, or (ii) such limitation is not permitted by mandatory provisions of applicable law.

14. Shipment and transportation risk

14.1 If the delivery is carriage paid, JLMAG shall use the cheapest means of shipment. If, at the request of client, the goods are transported in another way, the extra costs of said transportation shall be charged on to client.

14.2 The goods shall be transported for the risk of client, unless explicitly agreed upon otherwise.

14.3 Acceptance of the goods by the carrier without any remark on the consignment note or receipt, shall serve as proof that the packaging was in a proper condition.

14.4 Custom made packaging material shall be invoiced but will be taken back at the price invoiced, if it is returned carriage paid in proper condition within 14 days. Required repair work shall be deducted from said price.

15. Intellectual property

15.1 When giving JLMAG an order, client shall confirm to JLMAG that there is no violation of intellectual property rights of third parties (including in any case copyrights, trademark rights, rights to drawings and models and topography rights). Client shall indemnify JLMAG against all consequences at law and otherwise resulting from duplication or reproduction.

15.2 The copyright to the models, drawings, sketches, etc., made by client, shall remain vested in client.

15.3 The intellectual property rights in materials provided by JLMAG, such as but not limited to, models, methodologies, calculation methods and modules (the "Materials") shall remain vested in JLMAG. JLMAG grants client a non-transferable, non-exclusive right to use the Materials for its own internal business purposes only.

16. Confidential information

16.1 Subject to clause 16.2, a party will not, without the prior written consent of the other party, use information designated as confidential, or of which the confidential nature of which should have been clear (hereafter "Confidential Information"), that has been received from the other party, to any third party other than to those of its employees, affiliates and permitted subcontractors (and their respective employees) who reasonably require such information for the performance of that party's obligations under this Agreement and provided such third party is bound to confidentiality obligations in respect of such Confidential Information which are no less stringent than the obligations under this clause.

16.2 Clause 16.1 is not applicable to Confidential Information which (a) is or becomes generally available to the public, other than as a result of a breach of an obligation under this clause 16, (b) was independently developed by one party without using any confidential information of the other party, (c) was acquired by a third party that was not under an obligation of confidence with respect to such information (d) was already in the possession of the receiving party without an obligation to confidentiality or (e) when the party concerned is compelled to provide such information to comply with mandatory provisions of applicable law or the order of any court or governmental agency.

17. Governing law and jurisdiction

All Agreements, and all offers, quotations and deliveries made under the terms and conditions are governed by and shall be construed in accordance with the laws of the Netherlands. The Convention on the International Sale of Goods (Vienna 1980) shall not apply. All disputes arising out of or in connection with all Agreements, offers, quotations and deliveries made under the terms and conditions shall be settled exclusively by the competent court in 's-Hertogenbosch.