

Transmission and Spare Parts FZE

P5-ELOB Office No. E2-115F-37

Hamriyah Free Zone

Sharjah

UAE

GENERAL TERMS AND CONDITIONS OF SUPPLY**Machine Tools, Services and Spare Parts for Domestic and International Business****I. General**

1. These Terms of Delivery apply to all deliveries and services by Transmission and Spare Parts FZE ("we", "us", "supplier"), whether the purchaser is located within the United Arab Emirates (including on the UAE mainland or in another free zone) or outside the United Arab Emirates. Individually agreed provisions shall take precedence over these Terms, provided they have been expressly agreed.

Deviating or supplementary terms and conditions of the purchaser shall not apply unless we have expressly agreed to their validity in writing. This shall also apply if we carry out a delivery without reservation in knowledge of such terms, or fail to expressly reject them.

2. Our offers are generally subject to change and non-binding, unless expressly designated as binding. Unless otherwise agreed, a contract shall only come into existence upon our written order confirmation.

All proprietary and other protective rights in all documents and information provided by us, in particular samples, cost estimates, drawings and comparable information — irrespective of the medium or electronic form in which they are embodied — shall remain with us. Disclosure to third parties requires our prior consent.

Information and documents of the purchaser that are marked as confidential shall only be disclosed by us to third parties with the purchaser's consent, unless there is a legal obligation to disclose.

1. The written-form requirement under these Terms is also satisfied by an exchange of electronic communications capable of being reproduced in tangible form (e.g. email) or by electronic signature, e.g. via "DocuSign". If the order relates to dual-use goods, or to goods, software, or technology otherwise subject to export control or sanctions law (including under UAE, EU, US, or other applicable export control and sanctions regimes), performance of the contract shall be subject to the condition precedent that all required export, re-export, and import licenses and authorizations are granted. The purchaser undertakes to provide, upon request, all information and end-use/end-user statements reasonably required for us to comply with applicable export control and sanctions laws, and not to resell, export, or re-export the delivery item in violation of such laws.
2. These Terms shall apply exclusively to purchasers acting in the course of a trade, business, craft or profession, as well as to government entities and public-sector organizations, and shall not apply to consumers within the meaning of applicable UAE consumer protection legislation.

II. Price and Payment

1. Unless otherwise agreed, our prices are ex works (EXW Incoterms® 2020). They are net prices, exclusive of UAE VAT, customs duties and similar charges, which shall be added where applicable. Prices refer to the scope of delivery/services described in the order confirmation. Additional costs, in particular for packaging, transport, shipment, customs clearance, duties, or other charges arising from cross-border or cross-zone movement of the delivery item, shall be borne by the purchaser.

Where the delivery item is supplied from a Designated Zone (as defined for UAE VAT purposes) to a customer located within the same or another Designated Zone, or is exported outside the United Arab Emirates, such supply may be zero-rated or outside the scope of UAE VAT, provided the purchaser furnishes all documentation reasonably required by us to evidence such treatment to the Federal Tax Authority. Where the delivery item is supplied to a customer on the UAE mainland or otherwise does not qualify for such treatment, standard UAE VAT (currently 5%) shall be added to the price, unless the reverse-charge mechanism applies. The purchaser shall be responsible for any import duties, customs formalities, and related charges.

2. Unless otherwise agreed, the purchase price shall be paid without any deduction by bank transfer to the supplier's account stated on the invoice, in the currency specified in the order confirmation, as follows:
 - 30% down payment immediately upon receipt of the order confirmation,
 - 60% upon notification of readiness for shipment,
 - 10% 14 days after delivery, installation and commissioning.
3. The purchaser shall only be entitled to rights of retention to the extent that its counterclaims are undisputed or have been finally established by a competent court or arbitral tribunal.
4. The purchaser's right to set off counterclaims arising from other legal relationships shall only apply to the extent that such counterclaims are undisputed or have been finally established by a competent court or arbitral tribunal.
5. In the event of default in payment, we shall be entitled to charge interest on the overdue amount at the maximum rate permitted under applicable law, together with a lump-sum default administration fee of AED 450. The assertion of further damages remains reserved.
6. If, after conclusion of the contract, circumstances become known that call into question the purchaser's ability to pay, we shall be entitled to render further performance only against advance payment or the provision of security.

If a duty of advance performance has been contractually agreed, we may refuse performance or withdraw from the contract if our claim is at risk and the purchaser lets a reasonable period set for the provision of security or advance payment pass without effect.

III. Delivery Time and Delay in Delivery

1. The delivery time shall be agreed individually between the parties and shall result from the order confirmation. Compliance therewith by the supplier presupposes that all commercial and technical questions between the parties have been clarified and that the purchaser has fulfilled all obligations incumbent upon it, such as the provision of required official certificates, permits, or licenses (including import/export licenses) or the making of a down payment. If this is not the case, the delivery time shall be extended appropriately. This shall not apply where the supplier is responsible for the delay.
2. Timely delivery is subject to correct and timely self-supply. We shall notify the purchaser without delay of any foreseeable delays. If performance is unavailable for reasons for which we are not responsible, we shall

inform the purchaser without delay and specify a new delivery date. If this new date cannot be met either, we shall be entitled to withdraw from the contract; consideration already rendered shall be reimbursed.

3. The delivery period shall be deemed to have been met if the delivery item has left the plant or readiness for shipment has been notified by such date. Where acceptance is to take place, the date of acceptance shall be decisive.
4. Delays for which the purchaser is responsible shall entitle us to charge the additional costs resulting therefrom.
5. In the event of force majeure or comparable events, the delivery period shall be extended appropriately. The purchaser shall be informed accordingly. Events of force majeure include, for example, natural events, war, sanctions, epidemics, operational disruptions, energy shortages, cyberattacks, export or import restrictions and similar events.

If such an event lasts longer than six months, either party may terminate the contract. Payments already made shall be settled taking into account costs incurred.

6. The purchaser may withdraw from the contract without setting a deadline if the entire performance becomes permanently impossible for the supplier before the transfer of risk. The purchaser may further withdraw from the contract if, in the case of an order, the performance of part of the delivery becomes impossible and the purchaser has a legitimate interest in rejecting the partial delivery. If this is not the case, the purchaser shall pay the contract price attributable to the partial delivery. The same shall apply in the event of the supplier's inability to perform.
7. If impossibility or inability to perform occurs during the purchaser's default in acceptance, or if the purchaser is solely or predominantly responsible for these circumstances, the purchaser shall remain obliged to render consideration.
8. If the supplier is in default and the purchaser incurs damage as a result, the purchaser shall be entitled to claim lump-sum compensation for delay. This shall amount to 0.2% for each full week of delay, but not more than 5% in total, of the value of that part of the entire delivery that cannot be used in due time or as contractually intended as a result of the delay.

If the purchaser sets the supplier a reasonable period for performance after the due date and this period is not met, the purchaser shall be entitled to withdraw from the contract to the extent permitted by applicable law. The purchaser undertakes, upon the supplier's request, to declare within a reasonable period whether it will exercise its right of withdrawal. Further claims arising from delay in delivery shall be governed exclusively by these Terms.

The occurrence of default in delivery shall be determined in accordance with applicable law. In any event, however, a written notice of default by the purchaser shall be required.

9. Delays resulting from sub-suppliers specified by the purchaser shall be borne exclusively by the purchaser.

IV. Transfer of Risk and Acceptance

1. Risk shall pass to the purchaser upon the delivery item leaving the supplying plant. This shall also apply in the case of partial deliveries or ancillary services rendered. Where acceptance is to take place, this shall be decisive for the transfer of risk. It must be carried out without delay at the agreed acceptance date, or otherwise promptly after the supplier's notification of readiness for acceptance. The purchaser may not refuse acceptance on account of an immaterial defect.

2. If shipment or acceptance is delayed or omitted due to circumstances not attributable to the supplier, risk shall pass to the purchaser as of the day of notification of readiness for shipment or acceptance. The supplier undertakes to take out, at the purchaser's expense, such insurance as the purchaser requests.
3. Partial deliveries are permissible insofar as reasonable for the purchaser. Each delivery shall be deemed an independent transaction.
4. Insurance of the consignment against transport damage and other risks shall only be taken out at the purchaser's express request and at the purchaser's expense.
5. If the purchaser is in default of acceptance, fails to perform an act of cooperation, or if delivery is delayed for other reasons for which the purchaser is responsible, the supplier shall be entitled to demand compensation for the resulting damage, including additional expenses (e.g. storage costs).

V. Retention of Title

1. The delivered goods shall remain our property until full payment of all claims arising from the contractual relationship.
2. The supplier shall be entitled to insure the delivery item, at the purchaser's expense, against theft, breakage, fire, water and other damage, unless the purchaser has demonstrably taken out such insurance itself.
3. Goods subject to retention of title may not be pledged to third parties or assigned as security prior to full payment of the secured claims. The purchaser must notify us without delay in writing if an application for the opening of insolvency proceedings is filed, or if third parties assert access (e.g. attachment) to goods owned by us. Where applicable law requires registration or filing of a retention-of-title arrangement (e.g. with the UAE Emirates Movable Collateral Registry, or an equivalent register at the place where the goods are located) for it to be effective against third parties, the purchaser shall, at our request and expense, cooperate in effecting and maintaining such registration or filing.
4. In the event of conduct by the purchaser in breach of contract, in particular default in payment, the supplier shall be entitled, after a reminder, to demand the return of the delivery item. A demand for return does not simultaneously constitute a declaration of withdrawal; rather, we are entitled merely to demand the return of the goods while reserving the right to withdraw. If the purchaser does not pay the purchase price when due, we may only assert these rights if we have first unsuccessfully set the purchaser a reasonable period for payment or if such a deadline is dispensable under applicable law.

VI. Claims for Defects

For material defects and defects of title, the following provisions shall apply.

Material Defects

1. The quality and intended use of the delivery item shall be determined primarily by the agreements reached between the parties. Insofar as no deviating agreements exist, the performance shall correspond to the state of the art at the time of conclusion of the contract, as well as the relevant statutory provisions and recognized industry standards.

Insofar as a particular quality has been agreed, statutory objective requirements for the goods shall take a subordinate role.

2. Defective parts shall, at our option, be repaired or replaced, provided the cause of the defect already existed at the time of the transfer of risk. Defects must be notified without delay in writing. Replaced parts shall become our property.

3. We shall be entitled to make subsequent performance conditional upon payment of the purchase price due. The purchaser shall, however, be permitted to retain a reasonable part of the purchase price proportionate to the defect.
4. The purchaser must give us the time and opportunity required to carry out subsequent performance. If this is not done, our liability for the resulting consequences shall lapse.

In urgent cases, in particular to avert significant damage or to ensure operational safety, the purchaser may, after informing the supplier in advance, remedy the defect itself and demand reimbursement of the necessary expenses.
5. In the case of justified notices of defects, we shall bear the expenses necessary for the purpose of subsequent performance, provided these are not disproportionate.
6. The purchaser shall, to the extent permitted by applicable law, have a right to withdraw from the contract if the supplier lets a reasonable period set for it for repair or replacement delivery on account of a material defect pass without result. If only an immaterial defect exists, the purchaser shall only be entitled to a reduction of the contract price. The right to reduce the contract price shall otherwise remain excluded.
7. Further claims shall be governed exclusively by Section VII of these Terms.
8. Liability shall not exist, in particular, for damage resulting from unsuitable use, improper installation by the purchaser or third parties, natural wear and tear, improper handling, inadequate maintenance, unsuitable operating materials, or other external influences outside our area of responsibility.
9. In the event of improper repair or unauthorized modifications by the purchaser or third parties, our liability for the resulting consequences shall lapse.

Defects of Title

1. If the contractual use of the delivery item, in the country of destination specified in the order or otherwise agreed as the intended country of use, infringes third-party intellectual property rights, we shall, at our option, either procure a right of use or modify the delivery item such that the infringement no longer exists, provided this is economically reasonable. If this is not possible, the purchaser shall be entitled to withdraw from the contract. We shall be entitled to withdraw from the contract under the same conditions.

Undisputed or finally established claims of third parties shall be borne by us to the extent required by applicable law.

2. The supplier's obligations set out in Section VI are, subject to Section VII, conclusive in the event of an infringement of an intellectual property or copyright.

They shall only exist if:

- the purchaser notifies the supplier without delay of any intellectual property or copyright infringement claims asserted;
- the purchaser supports the supplier to a reasonable extent in defending against the claims asserted;
- the supplier is enabled to carry out modification measures pursuant to Section VI;
- all means of defense, including out-of-court settlements, remain reserved to the supplier;
- the defect of title is not based on an instruction of the purchaser; and
- the infringement was not caused by the purchaser having modified the delivery item without authorization or used it in a manner not in accordance with the contract.

VII. Liability of the Supplier; Limitation of Liability

1. Where, pursuant to applicable law — irrespective of the legal basis — we are liable under these Terms for damage caused by ordinary negligence, our liability shall be limited. Liability shall exist only in the event of a breach of material contractual obligations, i.e. such obligations whose fulfillment is essential to the proper performance of the contract in the first place and on whose observance the purchaser regularly relies and may rely. Liability shall be limited to the typical, foreseeable damage at the time of conclusion of the contract.
2. Our liability for damages in the event of fraudulent concealment of a defect, in the case of willful misconduct and gross negligence, in the case of the assumption of a guarantee or a procurement risk, and in the case of injury to life, body or health, shall remain unaffected, to the extent such liability cannot be limited under applicable law.
3. The limitations of liability arising from paragraph 1 above shall also apply in favor of third parties and in the event of breaches of duty by persons whose fault we are responsible for under applicable law. The personal liability of our representatives, agents and employees for damage caused by them through ordinary negligence is excluded, to the extent permitted by applicable law.
4. On account of a breach of duty that does not consist of a defect, the purchaser may only withdraw or terminate the contract if we are responsible for the breach of duty.
5. For damage that has not occurred to the delivery item itself, the supplier shall be liable — on whatever legal grounds — only:
 1. in the event of willful misconduct,
 2. in the event of gross negligence on the part of the owner/the management or executive employees,
 3. in the event of culpable injury to life, body or health,
 4. in the event of defects that it has fraudulently concealed,
 5. within the scope of a guarantee assumed,
 6. in the event of defects in the delivery item, insofar as liability exists under applicable product liability law for personal injury or damage to items used privately.
6. Further claims are excluded, to the extent permitted by applicable law.

VIII. Limitation Period

The parties agree that, to the extent permitted by applicable law, all claims of the purchaser arising from a defect in the delivery item shall become time-barred within 12 months of delivery, or, where acceptance has been agreed, within 12 months of acceptance. This contractual limitation period shall not apply to claims arising from willful misconduct or fraudulent concealment of a defect, to claims under mandatory product liability law, or to any other claims that cannot be limited or shortened under applicable law, for which the statutory limitation periods shall apply.

IX. Use of Software

Insofar as software is included in the scope of delivery, the purchaser shall be granted a non-exclusive, non-transferable right of use. This right is limited to use in connection with the intended delivery item. Use of the software on more than one system is prohibited. The purchaser may reproduce, revise, translate, or convert the software from object code into source code only to the extent permitted by applicable copyright law.

Copyright notices and other markings may not be removed or altered. All further-reaching rights remain with the supplier or the respective rights holder. The granting of sub-licenses is excluded.

All other rights to the software and the documentation, including copies, remain with us or the software supplier. The granting of sub-licenses is not permitted.

Software shall be provided exclusively in machine-readable form (object code). The source code is not part of the contract and will not be delivered by us.

We assume no obligation to provide software services beyond the warranty, such as maintenance, hotline support, or updates, unless separately commissioned.

X. Applicable Law, Arbitration, Export Control

1. All legal relationships shall be governed exclusively by the federal laws of the United Arab Emirates as applicable in the Emirate in which our registered office is located, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) and of any other body of law that either party's private international law rules might otherwise designate.
2. All disputes arising out of or in connection with the contractual relationship, including disputes regarding its validity, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC Rules) by one or more arbitrators appointed in accordance with the ICC Rules. The seat of arbitration shall be the Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. The language of the arbitration shall be English. The number of arbitrators shall be one, unless the ICC Court determines that the dispute warrants a panel of three in light of the amount in dispute or the circumstances of the case.

Notwithstanding the foregoing, the supplier shall be entitled to pursue undisputed or uncontested payment claims before the courts having jurisdiction over the purchaser's principal place of business, and either party may apply to any competent court, including the onshore courts of the United Arab Emirates or the DIFC Courts, for interim or conservatory measures without this being deemed a waiver of the arbitration agreement.

3. The purchaser shall comply with all applicable export control and sanctions laws and regulations, including those of the United Arab Emirates, the European Union, the United States and the country of destination, in connection with the delivery item. The purchaser shall not, directly or indirectly, export, re-export, sell, or otherwise transfer the delivery item to any country, entity, or person in violation of such laws and regulations, and shall provide all information reasonably required by the supplier to verify compliance.