

Drive Line Systems (DLS) Terms and Conditions for Delivery and Payment

Rev. 4.0, April 1, 2025

1. **General**

- 1.1. The term DLS in these terms and conditions for delivery and payment shall be understood to denote the private company with limited responsibility Drive Line Systems B.V. (Chamber of Commerce number 23084764 0000), with its registered office at Robijn 910 in Dordrecht.
- 1.2. "The Purchaser" shall be understood to denote the party to which DLS sells and/or supplies goods and/or services.

2. **General/applicability**

- 2.1. All orders placed with DLS by the Purchaser and all consequential legal relationships between DLS and the Purchaser shall be accepted by DLS exclusively on the basis of these terms and conditions for delivery and payment (the "Terms and Conditions").
- 2.2. Applicability of the Purchaser's general terms and conditions is expressly rejected.
- 2.3. The Terms and Conditions shall apply to all legal relationships in which DLS acts as (potential) retailer and/or supplier of goods and/or services (the "Agreement").
- 2.4. Any divergence from these Terms and Conditions shall only be applicable with the express written agreement of both parties.

3. **Tenders/entry into effect of Agreement**

- 3.1. All DLS tenders and/or quotations are without obligation and are purely an invitation to place an order, unless stated otherwise in writing by DLS.
- 3.2. In the event that the Purchaser places an order with DLS, the Agreement shall not enter into effect until DLS confirms acceptance of the order in writing, or begins implementation, on condition that this is known to the Purchaser.
- 3.3. In the event that the Purchaser responds to a DLS tender by making an offer, and DLS accepts said offer in writing, an Agreement shall enter into effect.
- 3.4. Samples or models demonstrated or provided are merely an indication which the goods in question shall not be required to conform to.
- 3.5. Whereas all DLS estimates of numbers, sizes, weights and/or other indications of products are carefully prepared, DLS shall not be liable for any deviations.
- 3.6. DLS shall be authorized to engage third parties in the implementation of the Agreement.

4. **Prices**

- 4.1. All prices are FCA at Robijn 910 in Dordrecht (as defined in the Incoterms® 2020), exclusive of VAT and other government-imposed taxes, unless specifically agreed otherwise in writing.
- 4.2. Changes in labor rates, cost prices for raw materials or materials, exchange rates and/or other factors which may for any reason influence the price of the order, shall entitle DLS to pass on the costs of the changes to the Purchaser accordingly.
- 4.3. DLS and the Purchaser may agree on additional work. DLS shall be authorized to charge separately for any additional work performed, even if no agreement exists specifically in relation to the price of the additional work. Calculation of the price for additional work shall be subject to the provisions of the foregoing paragraphs of this Article.

5. **Delivery/Delivery times**

- 5.1. Delivery times agreed with DLS are purely indicative and shall not be deemed to be strict deadlines. Delivery periods shall commence on the date stated in the written acceptance of the Agreement. In the event that certain data, drawings etc. or certain formalities are required for the implementation of the order, the delivery period shall commence at a later time, namely when DLS is in possession of all data, drawings etc., or all formalities have been completed. In the event that DLS requires an initial (down) payment, the delivery period shall commence at the time of receipt of the first (down) payment.

- 5.2. Delivery shall be FCA at Robijn 910 in Dordrecht. DLS shall not be responsible or liable in respect of import, export or transport of the deliverable goods to the destination, nor may it be held liable for any taxes, levies or other costs in relation to the transport and/or delivery of goods.
- 5.3. DLS shall be entitled to postpone deliveries until the Purchaser has complied with all its obligations to DLS. The Purchaser shall be obliged to cooperate with the delivery and to accept the delivered goods. If the delivered goods are not accepted, DLS shall be entitled to compensation from the Purchaser for all damages suffered (including the costs of storage, transport and insurance).

6. Assembly, installation

- 6.1. Notwithstanding Article 5.2, the parties may agree in writing that DLS shall be responsible for assembly and installation of its products.
- 6.2. Work carried out by DLS in connection with assembly, erection, testing, dismantling, repairs and any other works shall be at the expense and risk of the Purchaser, unless specifically agreed otherwise in writing.
- 6.3. Purchaser must ensure that the vehicles that Purchaser brings to DLS or entrusted to DLS for assembly work must be adequately insured by Purchaser in accordance with the WAM and against the dangers of loss and damage due to, among other things, theft, fire, storm, hail, etc. DLS has not insured Purchaser's vehicles. Except in case of willful misconduct or gross negligence by DLS employees, DLS is not liable for the loss of or damage to the vehicle during the time that the vehicle is with DLS or under the management of DLS, including any consequential damage of any kind.
- 6.4. The Purchaser shall facilitate DLS mechanics/employees in such a way that they are able to perform the assembly and installation work in accordance with the applicable safety regulations.
- 6.5. Unless specifically stated otherwise in writing, all extra work resulting from assembly and installation, as well as the transportation of materials to the site of assembly and/or installation shall be at the expense and risk of the Purchaser. Extra work shall be understood to include: disassembly/assembly of guards, sawing or mechanical disassembly/assembly adjustments, lacquer/paint work and electrical/mechanical/hydraulic/pneumatic work.
- 6.6. The Purchaser shall be liable for all damage caused to DLS tools and other property used during the assembly or installation.
- 6.7. Travel costs in connection with assembly and/or installation work shall be charged separately to the Purchaser.
- 6.8. DLS shall determine the hours to be worked by its employees. DLS shall be entitled to charge different labor rates for labor outside the normal working hours applicable under the collective labor agreement for this sector. The provisions of Article 5 in regard to delivery times shall also apply to the agreed assembly and/or installation time. The start-up period for machinery, installations etc. installed by DLS shall no longer be factored into the assembly and/or installation period.
- 6.9. The provisions of other paragraphs of this article shall apply mutatis mutandis to dismantling and other work.

7. Packaging

- 7.1. Unless specifically agreed otherwise in writing, the products shall, if necessary and exclusively at our discretion, be wrapped in the packaging normally used for such products, subject to the provisions of paragraph 1 of Article 4. Unless agreed otherwise in writing with the Purchaser, DLS shall not take back the packaging.

8. Retention of title

- 8.1. DLS shall retain the title to goods supplied or to be supplied by DLS until such time as the Purchaser has complied with its payment obligations and all other obligations to DLS, irrespective of their basis. The Purchaser shall not be permitted to invoke a possessory lien in respect of storage costs and/or to offset these costs against amounts due and payable for services rendered.
- 8.2. In the event that the Purchaser creates a new product from goods supplied by DLS, that product shall be deemed to be a product created by DLS for itself and held by the Purchaser

- on behalf of DLS as owner, until all Purchaser's obligations to DLS, irrespective of their basis, have been complied with.
- 8.3. The Purchaser shall inform any third party garnishing or claiming any other rights in respect of the goods described in the foregoing sentence of rights held by DLS in respect of those goods. The Purchaser shall also inform DLS immediately of any rights claimed by any third party in respect of the goods.
 - 8.4. If any product accrues to DLS on the basis of paragraph 1 or 2 above, it shall be made available to the Purchaser exclusively in the performance of its normal business operations. The Purchaser shall be obliged to provide and maintain adequate insurance in respect of goods supplied by DLS under retention of title. The Purchaser shall also be obliged, in the event that the goods are transferred to a third party, to impose this obligation of adequate insurance upon the third party.
 - 8.5. In the event that the Purchaser is in breach of the requirements of paragraph 1, DLS shall be entitled to recover, or instruct recovery of, the goods belonging to it from their location at that time, at the expense of the Purchaser. To this end, the Purchaser already now grants DLS irrevocable authorization to access locations used by or on behalf of the Purchaser.
 - 8.6. If and as soon as the goods being the property of DLS become subject to garnishment, the Purchaser shall be obliged to inform DLS accordingly.

9. Security

- 9.1. If proper grounds exist for the Purchaser not complying punctually with its obligations, the Purchaser shall be obliged to provide security immediately and upon first request by DLS, in a form requested by and satisfactory to DLS, and to supplement it if necessary in compliance with all its obligations.
- 9.2. Until the Purchaser has complied with the obligation provided for under paragraph 1, DLS shall be entitled to suspend compliance with its obligations without any obligation to compensate for damages or consequential costs incurred by the Purchaser.

10. Payment

- 10.1. Payment to DLS shall be made within 14 days of delivery of the goods or provision of services. DLS shall invoice the Purchaser for the total amount of the Agreement; even if no invoice is sent by DLS or received by the Purchaser, the 14-day period shall apply.
- 10.2. Under no circumstances may payment by the Purchaser be suspended or offset.
- 10.3. All invoices sent by DLS must be paid by the Purchaser in the manner indicated therein by DLS. Payment shall be made in the agreed currency and shall not be subject to discount.
- 10.4. In the event that DLS has reasonable doubt at any time in respect of the creditworthiness of the Purchaser, DLS shall be entitled to require of the Purchaser, before continuing its work, full or partial advance payment of the purchase price, or that the Purchaser provides proper security, for example by way of a bank guarantee or undisclosed pledge on the products supplied by DLS. DLS shall also be entitled in such cases to ship exclusively on a cash on delivery basis.
- 10.5. In the event of late payment to DLS, DLS retains the right, notwithstanding any other rights and legal remedies available to it, to charge the Purchaser late payment interest calculated on a daily basis at the promissory note discount rate of the Dutch Central Bank [Nederlandse Bank] plus 3% per year, with a minimum of the statutory interest, on all outstanding debts, calculated from the due date until the date of payment in full to DLS.
- 10.6. All judicial and extrajudicial costs incurred by DLS in the collection of debts owed to it by the Purchaser shall be borne by the Purchaser; extrajudicial costs shall be fixed at 15% of the outstanding amount, with a minimum of EUR 1.000.
- 10.7. DLS retains the right to deem payments by or on behalf of the Purchaser to be compensation for costs incurred in relation to extrajudicial debt collection charges, judicial costs, interest owed by the Purchaser and thereafter the outstanding principal sums in date order, irrespective of any instructions by the Purchaser.
- 10.8. The Purchaser shall be in default as soon as the payment period expires: this period is therefore a strict deadline. Any objections by the Purchaser in respect of the invoice sent in accordance with the Agreement may only be raised within the payment period.

11. Product liability

- 11.1. The Purchaser indemnifies DLS against all claims by third parties for compensation for damages resulting from defective goods, with the exception of claims based on damages

- caused by a product whose defect is the result of a deliberate act or willful recklessness on the part of DLS.
- 11.2. In the event that, in accordance with Article 8.1, DLS sends a request for indemnity by registered letter to the Purchaser and the Purchaser does not comply with that request within 14 days of receiving it, all Purchaser obligations shall become immediately due and payable.
 - 11.3. DLS shall not be liable for violations of patents, licenses or other third-party rights by the use of information which serves DLS to execute the order figures by or on behalf of the Purchaser.

12. Dissolution and force majeure

- 12.1. In the event that the Purchaser does not comply strictly or punctually with the Agreement, or in the event of bankruptcy, a (temporary) moratorium, a guardianship order on the Purchaser or the closure or liquidation of (a significant part of) its business, DLS shall be entitled, at its own discretion, without any obligation to pay compensation and notwithstanding any other rights accruing to DLS, to dissolve the order in full or in part or to suspend (further) performance under the order. In such cases, DLS shall be entitled to exercise these rights with immediate effect and to request security from the Purchaser in respect of (timely) compliance with its payment obligations before providing any further services.
- 12.2. In the event that timely performance by DLS is fully or partially hindered by one or more circumstances, whether or not temporary, for which DLS cannot be held fully responsible (including, but not limited to, the circumstances listed in the following paragraph), DLS shall be entitled to dissolve the contract, postpone the delivery of goods and/or the provision of services and to allocate, at its own discretion, production capacity to other clients, without any obligation to pay compensation.
- 12.3. Circumstances for which DLS can in no way be held responsible are: an act or default, with the exception of intentional or gross negligence, by persons whose services are used by DLS in performing its obligations under the order, a third party exercising one or more rights against the Purchaser because of its non-compliance in respect of that third party in relation to goods supplied by DLS under the Agreement; strike, lock-out, illness, restrictions regarding import, export and/or transit, transport problems, default by any DLS supplier, production standstill, natural and/or nuclear disasters, war and/or threat of war, fire, flood and government measures.
- 12.4. In the event that the Purchaser fails to cooperate in the receipt of goods within seven days of a notice to perform from DLS, DLS shall be discharged of all its obligations.

13. Conformity and guarantees

- 13.1. Upon delivery, the Purchaser shall be obliged to check that the goods comply with the Agreement. If this is not the case, the Purchaser can only invoke the agreement if it provides DLS with a written and substantiated notification as quickly as possible, and in any event no later than 14 days after delivery or at any rate after detection was reasonably possible.
- 13.2. Standard guarantee term for delivery of products, systems and services by DLS is 12 months after delivery date, unless written stated otherwise. Hereby the restriction applies that for guarantee, necessary parts have to be available and (spec. in case of overhauled products/systems).
- 13.3. In the event that the Purchaser identifies defects or deviations in the products 12 months or after the date of delivery or later, it may no longer invoke non-compliance of the products with the Agreement. Any claim by the Purchaser shall not discharge the Purchaser from its payment obligations to DLS.
- 13.4. As provided for in paragraph 2, claims and defenses based on facts justifying the claim that the delivered goods do not comply with the Agreement shall cease to be valid 12 months after the date of delivery.
- 13.5. In the event that the delivered product or system does not comply with the Agreement, DLS shall only be obliged, at its own discretion, to either deliver missing items, or repair or replace the delivered goods, on condition that the Purchaser complies in full, at all times, with its payment obligations, within the appropriate period.

- 13.6. No declaration or guarantee whatsoever shall be provided in respect of the suitability or reliability of goods for special purposes, except that DLS guarantees that the goods will not exhibit material or manufacturing defects if they are used and operated under normal circumstances and in accordance with the instructions for use, and on the understanding that in any event, the guarantee period ends 12 months after the date of delivery. No guarantee is provided on goods which are subject to normal wear and tear. DLS obligations under this guarantee are limited to the repair and replacement of goods on account of these general terms and conditions. Costs and expenses in relation to reviews conducted by DLS on products to establish whether a defect falls under the guarantee shall be reimbursed by the Purchaser if it emerges that said defect does not fall under the guarantee. Potential transportation-/packaging/postage- and dismantling-/mounting costs for transportation of the guaranteed products/systems to Dordrecht are at the Purchaser's expense.
- 13.7. DLS provides no guarantees in the event that:
- the goods have been repaired, or repair attempts have been made, by third parties or the Purchaser;
 - DLS can demonstrate that the defect did not show up in any tests;
 - the Purchaser does not immediately provide DLS with detailed written notification of the defect or has not followed the actual instructions from DLS;
 - goods have been misused by the Purchaser, including, but not limited to, any use which is inconsistent with the manual and/or instructions provided by DLS;
 - the damage resulted from a cause that DLS cannot reasonably be expected to have noticed and which was caused during transport or installation.
- 13.8. With regard to goods provided for use in assembly or repair procedures etc., guarantees shall only be provided for the execution of the assigned work. DLS provides no guarantee for parts it has not manufactured itself other than the guarantee provided to DLS by the suppliers of those goods. The foregoing provisions of this article apply in full to the guarantee.

14. Compensation

- 14.1. DLS shall only be liable for damages resulting from a deliberate act or gross negligence.
- 14.2. DLS shall not be obliged to compensate for any damage other than damage to persons or goods.
- 14.3. Under no circumstances shall DLS be liable for damages in excess of the value of the goods delivered and/or services provided, or goods still to be delivered pursuant to the order which resulted in the damage.
- 14.4. Indirect and consequential damage is expressly excluded and shall not be compensated.
- 14.5. Nor shall DLS be liable for any damage in the event that the goods in question have not been paid for by the Purchaser.
- 14.6. DLS reserves all legal and contractual defenses in relation to its liability to the Purchaser. It does so for the benefit of its subordinates and other parties for whom DLS may be held liable.
- 14.7. The Purchaser indemnifies DLS from all claims by third parties in relation to the use of the goods delivered and/or services provided by DLS.
- 14.8. This article does not restrict the legal liability of DLS pursuant to mandatory provisions.

15. Documents, aids and recommendations

- 15.1. All documents and resources prepared by DLS shall at all times remain the property of DLS, regardless of whether the client has been charged for the cost of manufacture, and shall be returned immediately to DLS upon first request. Documents shall be understood to include: costing estimates, plans, catalogues, illustrations, drawings, sizes, weight estimates or other quotations. Resources shall be understood to include: models, moulds, stamps, matrices and tools.
- 15.2. The Purchaser guarantees that the documents, resources and information provided by DLS as described in the foregoing paragraph shall not be copied or imitated or provided or disclosed to third parties, whether or not for re-use, without prior written permission from DLS. The Purchaser shall cooperate in the conclusion of a confidentiality agreement, submitted by DLS, in respect of the documents, resources and information provided by DLS as described in the previous paragraphs.
- 15.3. All recommendations, calculations, notifications and estimates in respect of capacities, results and performance provided by DLS on the products to be supplied or work to be

performed by DLS shall only be binding on DLS if they are included in a written order confirmation, the relevant separately concluded written agreement.

16. Applicable law/competent Court

- 16.1. All legal relationships between DLS and the Purchaser are governed exclusively by the law of the Netherlands. Applicability of the Vienna Sales Convention is excluded, unless the parties specifically have agreed otherwise in writing.
- 16.2. All disputes shall be put exclusively before the District Court at Rotterdam, insofar as the law does not prescribe otherwise.

17. Replacement

- 17.1. In the event that any provision of these general regulating conditions is considered under any law or by any competent public body to be invalid or impossible to enforce, the fact that it is not valid or enforceable shall not affect the other provisions of these general terms and conditions for delivery and payment. DLS and the Purchaser agree that any invalid or unenforceable provisions shall be replaced by valid or enforceable provisions which strive to convey as far as possible the economic objectives of the invalid or unenforceable provisions.

18. Business ethics

- 18.1. DLS only delivers to approved customers in approved countries, according to European laws and international agreements. In our order acceptance and order confirmations, we explicitly forbid our customers to re-export to forbidden/sanctioned countries and/or customers.
- 18.2. Re-export to Russia clause: The buyer undertakes not to export, re-export or transfer the purchased goods directly or indirectly to Russia or to any entity or person in Russia. The buyer shall ensure that any third party to whom the goods are resold also complies with this obligation. In the event of a breach of this clause, DLS reserves the right to take appropriate legal action, including but not limited to claiming damages.

19. Dutch language text

- 19.1. In the event of a dispute in relation to the interpretation of the Dutch language text of the general terms and conditions of delivery and payment and a translated version thereof, the Dutch language text shall prevail.