

General terms and Conditions of Sale VDL Castings

1. Definitions

"Agreement" shall mean the General Terms together with the Order.

"Customer" shall mean the legal or natural person contracting or intending to contract with VDL Castings.

"VDL Castings" shall mean VDL Castings Weert B.V. or VDL Castings Heerlen B.V. or the relevant subsidiary of VDL Castings that is entering into the Agreement as identified in the quotation given by VDL Castings.

"General Terms" shall have the meaning set out in Section 2.

"Incoterms" means the international rules for the interpretation of trade terms of the International Chamber of Commerce (ICC) as set out in the version of the Incoterms published by the ICC that is in force at the time the Agreement is entered into between the parties.

"Order" shall mean the Customer's order for the Parts.

"Parts" shall mean the parts that VDL Castings shall supply to the Customer.'

2. Applicability

These General Terms and Conditions (the "General Terms") are applicable to all requests for quotation, quotations, offers, orders, confirmations, acceptances and deliveries made by or with VDL Castings. Unless expressly otherwise agreed in writing between the parties, these General Terms shall prevail in the event of a discrepancy between these General Terms and any other written or oral agreement between VDL Castings and the Customer. The applicability of any General Terms and Conditions of the Customer is hereby expressly rejected.

3. Offers and orders

All requests for quotation by Customers must be accompanied by technical specifications describing the Parts to be manufactured and the types of inspections and tests required for acceptance. Following a request by the Customer VDL Castings may provide the Customer with a written quotation to manufacture the Part.

The written quotation shall constitute an offer to manufacture the Part on the terms set out in that offer. VDL Castings shall only be bound by a Customer's written acceptance of VDL Castings' offer. If the Customer responds to VDL Castings' offer with modifications, qualifications or assumptions, such response shall be considered a counter-offer by the Customer. Any such counter-offer shall only be binding upon VDL Castings if and to the extent and when it is accepted in writing by VDL Castings. VDL Castings shall only be bound by the terms of its written acceptance of the Customer's counter offer setting out, inter alia, any modifications to the Customer's counter offer.

The Order shall only be deemed to be accepted when either:

- the Customer unequivocally accepts VDL Castings' offer to manufacture the parts; or
- VDL Castings issues a written acceptance of the Customer's counter offer, at which point the Agreement shall come into existence.

If VDL Castings does not issue any written acceptance of the Customer's counter offer, but delivers the Parts to the Customer, the deliveries shall be deemed to have been made and the Agreement shall be deemed to have come into existence based on the terms set forth in the quotation given by VDL Castings.

The Agreement (together with all documents to be entered into pursuant to it) sets out the entire agreement and understanding between the parties, and supersedes all proposals and prior agreements, arrangements and understandings between the parties, relating to its subject matter. Each party acknowledges that in entering into the Agreement it has not relied on any representation, warranty, collateral contract or other assurance (except those set out in the Agreement and the documents referred to in it) made by or on behalf of any other party before the date of the Agreement. Each party waives all rights and remedies which for this clause might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.

4. Intellectual Property Rights

All Parts are manufactured based on technical specifications by the Customer. The Customer shall at all times bear responsibility for the technical and industrial functionality of the Parts manufactured by VDL Castings. The aforesaid shall apply also in cases where VDL Castings has, at the request of the Customer or otherwise, proposed changes to the Customer's technical specifications and such changes have been approved by the Customer.

Unless otherwise specifically agreed, VDL Castings does not design the Parts it manufactures. Should the parties agree that VDL Castings shall design a pattern, fixture or tool based on the specifications of the Customer, the Customer shall bear responsibility for the technical and industrial functionality of the Parts manufactured in conformity with those specifications.

In the event that the Customer provides VDL Castings with the specification, drawings, models, tools, fixtures or patterns and/or any other materials to be used by VDL Castings in the manufacture of the Parts by VDL Castings (the Materials):

- the Customer hereby grants to VDL Castings a non-exclusive, royalty free, irrevocable licence (with a right to grant sub-licences) to use the Materials for the purpose of carrying out its obligations under the Agreement; and

- the Customer hereby warrants and represents to VDL Castings that the Part itself and/or the use by VDL Castings of the Materials in the manufacture of the Part does not and will not infringe the intellectual property rights of a third party.

The Customer shall indemnify and hold VDL Castings harmless in full in respect of and against any and all damage, loss, liabilities, costs and expenses (including the cost of legal or professional services) (Losses) incurred or suffered by VDL Castings resulting, wholly or in part, directly or indirectly from any claim by a third party against VDL Castings with regard to the use by VDL Castings of the Materials furnished by the Customer or the manufacture of Parts by VDL Castings (irrespective of whether the patterns, fixtures, tools or Parts have been designed by VDL Castings or not).

The intellectual property rights in and to the manufacturing methods and processes, manufacturing tools, manufacturing studies, research and / or patents used by VDL Castings in performing its obligations under the Agreement shall remain the property of VDL Castings or its third party licensor (as appropriate). Nothing in the Agreement (including the delivery of Parts) shall transfer to the Customer ownership of or intellectual property rights to such manufacturing methods and processes, manufacturing tools, manufacturing studies, research or patents. Any information relating to such manufacturing methods and processes, manufacturing tools, manufacturing studies, research or patents shall be Confidential Information of VDL Castings.

5. Confidentiality

A party ("recipient party") shall not disclose to third parties nor use for any purpose other than for the proper fulfilment of the Agreement any information of confidential nature, such as specifications, drawings and other technical documents, commercial information and know-how, pricing information, costs, volumes, administrative and operational information ("Confidential Information") received from the other party ("disclosing party") in whatever form under or in connection with the Agreement without the prior written permission of the disclosing party except information which was:

- already known to it without any obligation of confidence prior to its receipt thereof from the disclosing party; or
- subsequently disclosed to it lawfully by a third party who did not obtain the same (whether directly or indirectly) from the disclosing party;
- in the public domain at the time of receipt by the recipient party; or
- subsequently entered into the public domain other than by reason of the breach of the provisions of this Section or any obligations of confidence owed by the recipient party to the disclosing party; or
- required to be disclosed by law, regulation, order or regulators.

Each party shall ensure that any subcontractor or other third party sharing Confidential Information shall comply with the confidentiality obligations set forth above.

All specifications, drawings and other technical documents relating to the Part or the manufacturing thereof, which have been furnished by one party to the other, prior to the entering into of the Agreement or thereafter, remain the property of the furnishing party. A party receiving any such specifications, drawings or other technical documents may only use the said documents for the purpose for which they were provided. Neither the said documents nor the information contained therein may be reproduced, copied or in any other way assigned to or brought to the knowledge of a third party.

6. Patterns, fixtures and tools

Any manufacturing pattern, fixture or tool provided by the Customer shall be clearly marked and shall be supplied free of charge to VDL Castings. The Customer shall ensure that the patterns, fixtures and tools match the drawings and specifications in full.

Should the parties agree that VDL Castings shall make, or procure the making of, pattern, fixture or tool to be used in manufacturing of a Part, the said pattern, fixture or tool shall be manufactured based on the Customer's specifications and as agreed with the Customer, taking into account VDL Castings' production techniques.

Unless otherwise agreed, any pattern, fixture or tool, whether provided by the Customer or made by VDL Castings at the request of the Customer as the case may be, shall remain the property of the Customer, provided that they have been duly paid for by the Customer. The pattern, fixture and tool shall remain stored at VDL Castings during the serial production and for a period of twelve (12) months following the end of such serial production at the risk of the Customer. The Customer shall ensure that the patterns, fixtures and tools are appropriately insured at its own cost. As long as a Part is in serial production, the respective pattern, fixture and tool will be stored by VDL Castings free of charge. After a Part is no longer in serial production, VDL Castings will, after a period of twelve (12) months, charge from the Customer a warehousing fee as determined by VDL Castings. Pattern, fixture and tool stored at VDL Castings shall be returned at the cost and risk of the Customer, either at its own or VDL Castings' request, in a condition taking into account normal wear and tear.

Unless otherwise agreed, the costs of making patterns, fixtures and tools, as well as the cost of replacing or maintaining them shall be borne by the Customer and charged independently of the Parts supplied.

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VDL Castings will charge the costs of making patterns, fixtures and tools to the customer as follows. Thirty (30)% at order, forty (40)% after delivery of samples and Thirty (30)% after sample approval.

VDL Castings may not, without the prior written consent of the Customer, use the patterns, fixtures and tools referred to in this Section 6 for a third party or provide the patterns, fixtures and tools to a third party regardless of whether they have been supplied by the Customer or made by VDL Castings in accordance with the above.

7. Acceptance

Prior to VDL Castings commencing serial manufacture of a Part, the initial sample thereof shall be accepted by the Customer. Unless the parties have agreed otherwise, acceptance shall be carried out at the Customer's site at the Customer's expense and issued in writing to VDL Castings, as soon as possible, following delivery of the initial sample for acceptance. The initial sample is deemed accepted by the Customer if the Customer has not objected thereto within four (4) weeks from the delivery of the initial sample for acceptance.

VDL Castings shall not be obliged to commence manufacture of the Parts unless and until the Customer provides written acceptance of the initial sample to VDL Castings. VDL Castings shall not be liable under Section 9 where the reason for delay in delivery is due to the Customer's delay in providing written acceptance of the sample to VDL Castings.

8. Testing

The type and extent of testing, applicable standards and classifications as well as all types of tolerances shall be specified in the drawings and specifications to be provided by the Customer together with the request for quotation or Order and confirmed in the Agreement between VDL Castings and the Customer.

If the parties have not agreed on the testing and its technical requirements in accordance with the aforesaid, visual inspection or testing shall be conducted at a VDL Castings site or another location deemed appropriate by VDL Castings in accordance with the generally accepted industry standards of the country in which the relevant Parts are being manufactured.

Minutes shall be kept of the conducted tests and the minutes shall be sent to the Customer. If, based on the tests, the Part does not conform to the agreed technical specifications and the Customer does not accept this, VDL Castings shall take appropriate measures in order to ensure that the Part is reworked to conform to the agreed technical specifications. At the request of the Customer, a new test shall be conducted following such reworking of the Part.

9. Deadlines and VDL Castings' liability for delay

Any dates quoted for delivery are approximate only and shall not be binding upon VDL Castings, unless expressly otherwise agreed between the parties in writing (including the exact delivery time).

VDL Castings shall inform the Customer without undue delay if VDL Castings will not be able to deliver on time or if a delivery delay appears apparent, and if practically possible, stating the reason for the delay and the estimated time of delivery. If the delay is due (whether wholly or in part) to the Customer or a force majeure event (as set out in Section 17), the delivery deadline shall be extended by a reasonable period of time taking into account the specific circumstances, or at least the duration of the force majeure event or the Customer delay as applicable.

In case of a delay in delivery solely attributable to VDL Castings, the Customer shall be entitled to compensation of 0.5% of the agreed price (VAT excluded) for the delayed delivery for each period of five (5) consecutive business days of delay. The maximum liability of VDL Castings for delay shall in all cases be limited to 7.5% of the agreed price (VAT excluded) for the delayed delivery. The Customer shall be deemed to have waived its right to compensation, unless a claim for compensation is presented within two (2) months of the original delivery deadline. The Customer and VDL Castings agree that the compensation sums referred to in this Section shall be construed as liquidated damages, are fair and reasonable in all the circumstances and represent a genuine pre-estimate of the likely losses that the Customer is likely to suffer as a result of the failure by VDL Castings to deliver the Parts by an agreed delivery deadline.

If the Customer is entitled to the maximum amount of compensation in accordance with the aforesaid and delivery still has not taken place, the Customer may give VDL Castings written notice requiring delivery within a reasonable period of time, but not less than one (1) week. If delivery has not taken place within the said time period, the Customer may terminate the Agreement with immediate effect in respect of the undelivered Parts.

The right to compensation and termination with immediate effect set out in this Section 9, together with a refund of any monies paid by the Customer in respect of any undelivered Parts, shall be the sole remedies available to the Customer in situations of delayed delivery.

10. The Customer's liability for delay

The Customer shall inform VDL Castings without undue delay if the Customer will not be able to receive the delivery on time or if a delivery delay appears apparent, and if practically possible, stating the reason for the delay and its estimated duration. VDL Castings shall store the delivery at the risk and cost of the Customer. At the request of the Customer, VDL Castings shall insure the stored Parts at the Customer's cost.

Unless the delay on the part of the Customer is due to a force majeure event as set out in Section 17, VDL Castings may give the Customer written notice requiring the Customer to receive delivery within a reasonable period of time. VDL Castings shall also be entitled to claim damages for costs incurred and/or loss suffered due to the failed delivery.

Where the Customer is not able to receive delivery on the agreed date, the Customer shall continue to make all payments related to the delivery as if delivery had taken place as originally agreed.

11. Delivery term and inspections by the Customer

The parties may agree which INCOTERM is to apply to the delivery and transfer of risk in the Parts. If such INCOTERM has been agreed it shall be interpreted in accordance with the version of the INCOTERMS valid at the time the Agreement was entered into between the parties. The Parts shall be delivered and the risk in the Parts shall transfer in accordance with the provisions of the INCOTERM agreed between the parties.

In case no such delivery term has been agreed, the Parts shall be delivered "Ex Works" unpacked and risk in the Parts shall transfer in accordance with the EX Works INCOTERM.

The Customer is required to examine the Parts for signs of transportation damages and variances in quantities and to notify the carrier immediately of the damages and/or variances by including a note in the waybill. In case VDL Castings bears, in accordance with the agreed INCOTERM, risks involved in the transportation, the Customer shall also inform immediately VDL Castings of the damages and/or variances. The Customer shall inspect the Parts promptly after the delivery. In addition, the Customer shall, after machining as well as when using or installing a Part, conduct an additional inspection of the Part. The Customer shall notify promptly VDL Castings of any defects found in the inspections.

12. Quantities

In respect of series production by machine, a certain tolerance of the number of Parts made and delivered is permitted. In the absence of any other agreement between the parties, the allowed tolerance shall be +/- 5% of the number of Parts agreed.

13. Prices and payment terms

Unless otherwise agreed, the base price quoted by VDL Castings is per Part. VDL Castings may change the base prices per Part once a calendar year. In addition, VDL Castings is entitled to change the base prices, if there has been such a change in circumstances as a result of which it would be reasonable for VDL Castings to increase the then existing base prices to reflect such change in circumstances. Applicable energy and raw material surcharges (as amended by VDL Castings from time to time) will be added to the base prices. The base prices and surcharges are exclusive of any tax, which will be added to the base prices and surcharges, and which will be payable by the Customer, each in accordance with the applicable legislation.

Unless otherwise agreed, payment shall be made within fourteen (14) days of the invoice date. VDL Castings shall be entitled to receive interest on any payment not made when properly due pursuant to the terms of the Agreement, calculated from day to day at a rate per annum of 8%, and payable from the day after the date on which payment was due up to and including the date of payment.

In the event that it is probable that the Customer will not be able to make payment on the due date, having informed the Customer hereof in writing, VDL Castings shall be entitled to change the payment terms and/or suspend performance of all Agreements until the Customer can provide satisfactory guarantees that it will be able to meet its payment obligations. If the Customer fails to make payment on the due date, having informed the Customer hereof in writing, VDL Castings shall be entitled to change the payment terms and/or suspend performance of all Agreements until payment has been duly made. If the Customer does not pay the amount due within thirty (30) days of the due date, VDL Castings shall be entitled to terminate all Agreements with immediate effect by giving notice thereof and to claim damages in respect of any losses suffered by VDL Castings.

VDL Castings shall be entitled to retain the Customer's patterns, fixtures and tools until payment for the delivery has been made by the Customer.

The Customer shall not have the right to offset any payment due under a valid invoice under any Agreement against any sums owed to the Customer by VDL Castings under the Agreement or otherwise.

14. Retention of title

VDL Castings reserves right of title to the Parts delivered until all payment obligations of the Customer with regard to the Parts delivered are fulfilled.

For deliveries in Germany, VDL Castings and the Customer hereby agree to the exclusive application of German law with regard to (the agreement of) retention of title rights:

- a. VDL Castings retains the ownership of the delivered Parts as security for all claims to which it is entitled under the present and future business relationship until all claims against the Customer (and its group companies) have been settled, however the Parts are at the Customer's risk and expense;
- b. VDL Castings' ownership shall extend to any new object manufactured by processing the delivered Parts. The Customer shall manufacture the new object for VDL Castings' to the exclusion of its own acquisition of ownership and

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shall keep it in safe custody for VDL Castings. This shall not give rise to any claims against VDL Castings;

c. If VDL Castings' delivered Parts are processed with goods of other suppliers whose ownership rights also continue in the new object, VDL Castings shall acquire co-ownership in the new object together with these other suppliers - to the exclusion of the Customer's acquisition of co-ownership - whereby VDL Castings' co-ownership share corresponds to the ratio of the invoice value of the delivered Parts to the total invoice value of all co-processed reserved goods;

d. The Customer hereby assigns to VDL Castings - as security - his claims from the sale of the delivered and in the future to be delivered Parts, together with all ancillary rights, to the extent of VDL Casting's share of ownership;

e. In the event of processing within the framework of a contract for works and/or services, the claim for payment of these works and services up to the amount of the proportionate amount VDL Castings' invoice for the (co-processed) delivered Parts shall be assigned to VDL Castings here and now;

f. As long as the Customer duly fulfils his obligations arising from the business relationship with VDL Castings, he may dispose of the Parts owned by VDL Castings in the ordinary course of his business and collect the claims assigned to VDL himself;

g. In the event of default in payment or justified doubts as to the solvency or creditworthiness of the Customer, VDL Castings shall be entitled to collect the assigned claims and take back the Parts subject to retention of title;

h. Payments by cheque/bill of exchange shall not be deemed to have been made until the bills have been honoured by the Customer.

15. Warranty and liability

The Parts delivered by VDL Castings shall conform to the drawings and technical specifications provided by the Customer or to the initial sample agreed by the Customer for 12 months from delivery.

VDL Castings shall not be liable for any non-conformity of Parts due to faulty design by the Customer, patterns, fixtures or tools provided by or made for the Customer, or any raw material or component provided by or on behalf of the Customer. Nor shall VDL Castings be liable for any nonconformity of Parts due to a reason arising after the transfer of risk, e.g. failure to comply with working conditions specified in the Agreement, incorrect usage or installing of the Part,

insufficient maintenance of a Part, or repair or reworking of a Part by the Customer without the written agreement of VDL Castings. VDL Castings' warranty shall not cover normal wear and tear.

Where it has been mutually determined that a Part does not conform to the agreed technical specifications or initial sample, VDL Castings shall, at its discretion:

- credit the Customer with the value of the Parts recognised as not conforming to the technical specifications or initial sample, or
- replace the non-conforming Part; or
- rework or repair the Part so it conforms with the agreed specifications or initial sample.

VDL Castings fulfils its obligations under this Section by delivering a new or reworked/repared Part or by crediting the Customer with the price of the non-conforming Part.

For the avoidance of doubt, if only a certain proportion of the Parts included in a delivery does not conform to the agreed technical specifications or initial sample, VDL Castings shall only be obliged to credit, replace, or rework/repair (in accordance with the Agreement) the non-conforming Parts.

Reworking or repair of a Part shall be carried out at VDL Castings site, unless VDL Castings deems it more appropriate that the work be carried out at the Customer.

Notwithstanding the remedies of the Customer under this Section, VDL Castings shall not be liable for:

- any costs of operations performed on the non-conforming Parts or to be performed on the new or reworked/repared Parts by the Customer or any third party, including any treatments, machining or inspections; or
- any cost of disassembly and reassembly of Parts and of elements separate from the Parts. The Customer shall (at its cost) disassemble the relevant Part prior to providing that Part to VDL Castings and shall be responsible for (at its cost) for the reassembly of the relevant product using the repaired or replaced Part provided by VDL Castings pursuant to this Section.

The Customer shall reject non-conformities as soon as they are discovered and request their immediate replacement or reworking or a credit note within fifteen (15) days of the actual delivery date for apparent nonconformities and twelve (12) months for other non-conformities. Upon the expiration of the said deadlines, no recourse for non-conformity of a Part shall be available to the Customer.

VDL Castings' obligations under this Section 15 shall not apply should any repair, reworking or modification of Parts be carried out by, or at the request of, the Customer without the agreement of VDL Castings. Any such repair, reworking or modification shall be at the risk and cost of the Customer.

Should VDL Castings fail to fulfil its obligations under this Section 15 within a reasonable period of time, the Customer may give VDL Castings written notice specifying a reasonable date by which they shall be fulfilled.

Should VDL Castings not have fulfilled its obligations within the said deadline, the Customer may, at its choice:

- commission new Parts or the necessary repair/reworking of Parts by a third party at the expense of VDL Castings, on the condition that the Customer acts reasonably in such commissioning; or
- demand a reasonable price reduction.

If the non-conformity of a Part is substantial, the Customer may terminate the Agreement in part with immediate effect in respect of the nonconforming Parts and claim damages for loss suffered in a maximum amount of fifteen per cent (15%) of the agreed purchase price for the nonconforming Parts.

VDL Castings' liability for non-conforming Parts is restricted as set out in this Section 15. This section 15 represents VDL Castings' sole liability and the Customer's sole remedies in respect of the supply by VDL Castings of non-conforming Parts.

Except as set out in these General Terms, all warranties, conditions and other terms implied by law or common law (if applicable) are, to the fullest extent permitted by law, excluded from the Agreement

16. Third party damages

Should VDL Castings become liable to compensate a third party due to damages or loss suffered by such third party, the Customer shall indemnify and hold VDL Castings harmless for any such damages, to the extent VDL Castings' liability is excluded as set out in these General Terms.

VDL Castings shall in no event be liable for damages or loss;

- caused to immovable or movable property by a Part if the Part is in the possession of the Customer at the time the damage occurs, nor for any consequences of such damage; or
- caused by a Part if the damaged object is a product manufactured by the Customer or a product of which the product manufactured by the Customer form a part.

If a party receives a claim for damages by a third party, the receiving party shall immediately notify the other party thereof.

17. Force majeure

No party shall be liable for any failure to perform, or delay in performing, any of its obligations if and to the extent that the failure or delay is caused by a force majeure event provided that such failure or delay could not have been prevented by reasonable precautions. The time for performance of an obligation which is effected by a force majeure event shall be extended by a period which reflects the impact of the delay caused by the force majeure event.

Force majeure events are events being beyond a party's control and rendering the performance of an Agreement impossible or unreasonably onerous on the party in question, including without limitation strikes, lockouts, fire, war, acts of terrorism, mobilization, requisition, seizure, trade and currency restrictions, rebellion, riot, shortage of means of transportation, scarcity of raw material, natural disasters, restrictions on availability of energy or a failure or delay by a sub-supplier due to the aforementioned reasons.

An event shall be considered a force majeure event only if it could not be foreseen at the time of the entering into of the Agreement between the parties.

A party invoking a force majeure event shall notify the other party thereof immediately, as well as of the cessation of the force majeure event. Notwithstanding any provisions contained in these General Terms stipulating otherwise, a party shall be entitled to terminate the Agreement by giving the other party written notice thereof if the force majeure event has delayed the performance of the Agreement by more than six (6) months.

18. Legal requirements

The Customer shall be responsible for the Parts meeting all mandatory legal and regulatory requirements in the relevant jurisdictions. The Customer shall inform VDL Castings of all relevant requirements in accordance with the aforesaid and shall indemnify and hold VDL Castings harmless in full for any damages or loss suffered by VDL Castings due to the breach by the Customer of its obligations under this Section 18.

19. No waiver

No waiver by a party of any breach of the Agreement between the parties shall be considered a waiver of any subsequent breach of the same or another provision of the Agreement.

20. Severability

If any provision of the Agreement between the parties is declared to be invalid or unenforceable, the remaining provisions of the Agreement shall not be affected thereby but shall remain in full force and effect and be binding upon the parties. Without prejudice to the aforesaid, the parties shall attempt through negotiations in good faith to replace the invalid or unenforceable provision with a provision closest to the mutually intended meaning of such provision and the spirit of the Agreement.

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21. Transfer of agreement and the use of subcontractors

The Agreement between the parties and the rights and obligations specified therein are binding only upon the parties and their respective legal successors and may not be assigned to any third party.

VDL Castings is entitled to use subcontractors.

22. Premature termination

Either party may terminate the Agreement between the parties with immediate effect;

- in the event of a material breach by the other party of its obligations under the Agreement between the parties and the breaching party failing to remedy such breach within thirty (30) days of receipt of written notice specifying the material breach; or
- if the other party petitions for bankruptcy or is declared bankrupt, goes into liquidation or if a receiver is appointed for any part of the other party's business.

In addition to the above, VDL Castings may terminate the Agreement between the parties with immediate effect by written notice to the Customer in the event of a change of control of the Customer. "Control" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of the entity in question whether through the ownership of voting securities, by contract or otherwise and a "change of control" occurs if a person who controls the entity in question ceases to do so or if another person acquires control of it.

No other events entitle to premature termination.

In the event the Customer terminates an Agreement prematurely in accordance with the above provisions, the Customer shall pay for the Parts already produced and/or delivered by VDL Castings prior to the termination notice received by VDL Castings. Consequently, the Customer shall not be entitled to withhold payments regarding the deliveries made by VDL Castings prior to the termination notice for the reason that an Agreement has not been completed in full.

All the provisions of these General Terms that should due to their nature survive the termination of the Agreement between the parties shall survive the termination thereof.

23. Limitation of liability

The liability of VDL Castings is limited to VDL Castings' liability due to imputably failing to perform the Agreement and shall be limited to compensating direct damage caused by intentional acts or omissions or gross negligence by VDL Castings. VDL Castings' total liability to compensate damage under any Agreement shall be limited to the lower of (I) the total price of the respective Order (exclusive of VAT) and (II) the amount which the insurer of VDL Castings actually pays out with respect to the claim.

'Direct damage' shall solely mean:

- reasonable expenses which the Customer would have to incur in order to make the VDL Castings' performance conform to the Agreement; this alternative damage shall not be compensated, however, if the agreement is rescinded by or at the request of the Customer;
- reasonable expenses incurred to determine the cause and scope of the damage, insofar as the determination relates to direct damage within the meaning of any Agreement;
- reasonable expenses incurred to prevent or mitigate damage, insofar as the Customer demonstrates that these expenses resulted in mitigation of direct damage within the meaning of any Agreement;
- reasonable expenses incurred as a result of damage through death or bodily injury.

24. Applicable law and dispute resolution and some jurisdiction specific provisions

The laws of the Netherlands exclusively apply to the Agreement and to all further agreements which might result from it. The United Nations Convention on the International Sale of Goods shall not apply.

All disputes which might arise between the parties in connection with this Agreement or with agreements resulting from this Agreement, including disputes about its existence and validity, will – unless any mandatory statutory provision dictates otherwise – exclusively be judged by the competent court in the district of East Brabant, the Netherlands. In the event the Customer has its statutory seat in a country in which a decision of a Dutch court is not enforceable, the dispute will be exclusively settled by means of arbitration in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (NAI). The place of arbitration in that event shall be Amsterdam, the Netherlands. The proceedings shall take place in the Dutch language.