

General Terms and Conditions of Sale and Delivery of Federatie Aandrijven en Automatiseren (Trading Companies)*

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Issued by FEDA, Reitseplein 1, 5037 AA Tilburg, the Netherlands

Article 1 General

1. If these General Terms and Conditions of Sale and Delivery of Federatie Aandrijven en Automatiseren (hereinafter 'conditions') form part of offers and/or agreements relating to the provision of deliveries and/or Services by Contractor, all provisions of these conditions shall apply between the parties, unless the parties expressly deviate from them in Writing. A reference by Client to its own purchasing or other conditions will not be accepted by Contractor.
2. If the following terms are written with a capital letter in these conditions, they are understood to mean the following:
 - Product: goods and Services, such as maintenance, advice, and inspection;
 - In Writing: by means of a document signed by both parties, or by a letter, email, or any other technical method agreed upon by the parties;
 - Contractor: the party referring to these conditions in their offer and/or order confirmation;
 - Client: the party to whom the offer and/or order confirmation is addressed.

In these conditions, Service is also understood to mean:

- Service: the execution of work.

Article 2 Offer

1. Any offer made by the Contractor is non-binding.
2. Any offer is based on the execution of the agreement by the Contractor under normal circumstances and during normal working hours.

Article 3 Agreement

1. The agreement is established when the Client accepts the offer from the Contractor. If the agreement is made in Writing, it is established on the day the contract is signed by the Contractor or on the day the Written order confirmation is sent by the Contractor.
2. If the Client and the Contractor reach an agreement on additional deliveries and/or Services during execution, this will be considered additional work. If no arrangements have been made regarding the additional work, it will be compensated at the Contractor's usual hourly rate. Verbal promises and agreements with subordinates of the Contractor are not binding unless confirmed in Writing by the Contractor.
3. The Contractor and the Client are entitled to terminate the agreement at any time. In the event of termination by the Client, the Contractor will charge the full price. If, as a result of the termination, the Contractor has not yet incurred certain costs included in the price and no longer needs to incur them, he will deduct these costs from the price, unless it is unreasonable to do so considering the circumstances and the potential damage to the Contractor resulting from the termination.

Article 4 Price

1. The prices quoted by the Contractor are exclusive of turnover tax and other government levies on sales and delivery and are based on delivery ex works according to the Incoterms in effect on the date of the offer, unless otherwise specified in these conditions. "Works" refers to the Contractor's premises.
2. If, after the date of establishment of the agreement, one or more cost price factors increase—even if this is due to foreseeable circumstances—the Contractor is entitled to proportionally increase the agreed price.
3. The Contractor may charge for additional work separately as soon as the amount to be charged for it is known to him. For the calculation of additional work, paragraphs 1 and 2 apply correspondingly.
4. Packaging is not included in the price and will be charged separately. Packaging will not be taken back.

Article 5 Drawings, calculations, descriptions, models, tools, etc.

5. Dimensions, weights, and other data listed in catalogues, images, drawings, or other (online) documentation are binding only if and to the extent they are expressly included in a contract signed by both parties or in an order confirmation signed by the contractor.
6. Any offer made by the Contractor and the drawings, calculations, software, descriptions, models, tools, etc. created or provided by him, remain his property, even if costs have been charged for them.
7. The intellectual property of all items produced, performed, or provided by the Contractor for or to the Client remains with the Contractor at all times and will in no case be transferred to the Client, unless the parties explicitly agree otherwise in writing. This includes, but is not limited to, intellectual property regarding offers, products, drawings, models, descriptions, calculations, technical documents, tools, and methods for manufacturing, assembly, and construction, or those related to or underlying them. If the Contractor uses services, materials, or products from third parties to execute the assignment, the intellectual property of those items rests with the third party, who has granted the Contractor a right of use for them. The aforementioned also applies to such intellectual property.
8. The Client obtains a non-exclusive, perpetual, and transferable right to use these intellectual property rights related to the delivered product that the Contractor produced, performed, or provided for or to him.
9. The fact that something is specifically manufactured for the Client does not affect the agreements on intellectual property included in the preceding paragraphs.
10. All information that parties obtain about each other during the collaboration is considered confidential and will be treated as such by the parties, regardless of the form in which the information is provided. The parties guarantee that this information, except for the execution of the agreement, will not be copied, shown to third parties, disclosed, or otherwise used or shared without written permission from the other party.

Article 6 Delivery Time

1. The delivery time starts on the latest of the following moments:
 - a. the day the agreement is concluded;
 - b. the day the Contractor receives the documents, data, permits, etc., necessary for the execution of the assignment;
 - c. the day the conditions necessary for the start of the work are met;
 - d. the day the Contractor receives the agreed advance payment.

If a delivery date or week has been agreed upon, the delivery time is essentially the period between the day the agreement is concluded and the delivery date or week. If conditions as mentioned under b, c, and/or d have been agreed upon, the delivery date or week will be postponed by the period that has elapsed between the conclusion of the agreement and the fulfillment of the conditions under b, c, and/or d.

2. The specified delivery time is always approximate and does not constitute a firm deadline. The delivery time is based on the working conditions and timely delivery of materials ordered by the Contractor prevailing at the time the agreement was concluded. If delays occur due to changes in working conditions or the untimely delivery of ordered materials, the delivery time will be extended by the duration of the delay.
3. The Product is considered delivered when it is ready for shipment or, if inspection at the Contractor's premises has been agreed upon, when it is ready for inspection. The Contractor will inform the Client of this. The Contractor remains obligated to fulfill any assembly and/or installation obligations.
4. If the Client fails to fulfill his obligations under the agreement or to provide reasonable cooperation, causing delays for the Contractor, the delivery time will be extended by the period during which the Client fails to perform.
5. Exceeding the delivery time does not entitle the Client to a full or partial termination of the agreement, unless the delay exceeds 16 weeks or, according to a, the Contractor's notification, will exceed 16 weeks. In that case, the Client can terminate the agreement by giving written notice to the Contractor and is entitled to a refund of the (part of the) price already paid for the Product and to compensation for the damages suffered. Compensation on this ground will be limited to a maximum of 15 percent of the agreed price for the delivered Product. If the delivery time is exceeded for only part of the Product, the compensation will be calculated proportionally to that part of the purchase price. Unless the Client exercises his aforementioned right to terminate, exceeding the delivery time – for any reason – does not entitle the Client to perform or have performed any work necessary for the execution of the agreement without a judicial authorization.

Article 7 Inspection

1. The Client shall inspect the Product no later than 7 days after delivery as referred to in Article 6, paragraph 3, or, if assembly/installation has been agreed upon, no later than 5 days after assembly/installation. The Product is considered accepted if this period expires without a written and

specified report of justified complaints, or if the Product is put into commercial use before the expiration of this period.

2. If the parties have agreed that this inspection will take place in the form of one or more acceptance tests (hereinafter 'acceptance test'), the Client is obligated to provide the Contractor with the necessary space and time to prepare and conduct this acceptance test after delivery as referred to in Article 6, paragraph 3. This also includes making available the premises and materials (in the quantity) that the Contractor deems necessary to successfully complete the acceptance test. If assembly/installation has been agreed upon, the above applies after assembly/installation.
3. The Contractor determines when the acceptance test will take place and informs the Client in a timely manner. The Client is present at the acceptance test.
4. If an acceptance test is conducted without justified complaints or if the Client does not fulfill his obligations under this article, the Product is deemed accepted.
5. The Contractor will prepare a report of the test and share it with the Client. If the Client does not indicate within 1 business day after receiving this report that he disagrees with this representation of the acceptance test, or if the Client was not present at the acceptance test, the Contractor's report is considered accurate.
6. If the Client incurs costs to meet the above obligations, these costs are at his own expense.
7. If deficiencies are found during the acceptance test, the Contractor will remedy them as soon as possible.
8. In the case of minor deficiencies, particularly those that do not or hardly affect the intended use of the Product, the Product is considered accepted regardless of these deficiencies. The Contractor will still remedy such deficiencies as soon as possible.
9. After the (possibly tacit) acceptance of the Product, the Client loses the right to submit claims regarding alleged defects upon delivery. The Contractor's warranty obligations remain in effect.

Article 8 Risk transfer and transfer of Ownership

1. Immediately upon delivery as referred to in Article 6, paragraph 3, the risk for all direct and indirect damage to or caused by the Product transfers to the Client. This does not apply to the extent that the damage is the result of intent or deliberate recklessness by the Contractor's management. If the Client, after a notice of default, remains in default of accepting the Product, the Contractor is entitled to charge the resulting costs to the Client. Compliance with national regulations and laws concerning export is at the Client's expense and risk and is not a valid reason to remain in default of acceptance.
2. The ownership of a Product only transfers to the Client when all claims of the Contractor against the Client arising from deliveries or work, including interest and costs, have been fully paid to the Contractor. This expressly does not need to concern invoices related to the delivered Product; the retention of title broadly extends to all Products of the Contractor until the Client has fully paid all invoices and/or claims of the Contractor for which retention of title is legally permitted. In case of late payment, the Contractor may reclaim the delivered Product. The provisions of the previous paragraph and Article 6, paragraph 3, do not change this.

3. If the Contractor invokes the retention of title of paragraph 2, the Client shall fully cooperate, including any necessary disassembly, and provide the Contractor unrestricted access to all delivered Products.
4. Upon the Contractor's first request, the Client shall cooperate in establishing a non-possessory pledge on Products that have become the Client's property through payment or on Products in which the delivered Products have been processed and/or of which they have become components.
5. The Contractor has a right of retention on all Products that are in the possession of or on behalf of the Client with the Contractor as long as the Client has not fulfilled all his obligations towards the Contractor or the Contractor has good reasons to believe that the Client will not fulfill his obligations.

Article 9 Payment

1. Invoices must be paid within 30 days of the invoice date.
2. Payment for additional work shall take place as soon as it is charged to the Client.
3. All payments must be made without any deduction or set-off to an account designated by the Contractor.
4. The Contractor may deliver orders in parts and invoice these partial deliveries.
5. If the Client does not pay within the agreed period(s), he is considered to be in default by operation of law, and the Contractor has the right, without a notice of default, to charge interest from the due date. This interest is set at the statutory interest rate applicable in the Netherlands, as referred to in Article 6:119a and Article 6:120, paragraph 2 of the Dutch Civil Code, increased by 3%. This interest is also due on judicial and extrajudicial costs owed.

Article 10 Warranty

1. The Contractor guarantees defects that were not visible or could not have been visible at the time of delivery and which the Client proves are exclusively or predominantly the direct result of i) an inaccuracy in the construction applied by the Contractor, ii) defective workmanship, or iii) the use of poor materials. The Contractor also guarantees work carried out in the context of a revision, contract work, and similar activities. This warranty is valid for a period of 6 months after delivery as referred to in Article 6, paragraph 3. This period is based on operation for no more than 8 hours per day and 5 days per week. If the daily usage of the Product is higher than agreed, this period will be proportionally reduced.
2. Defects covered by the warranty will be remedied by the Contractor. The method of remedying these defects is at the Contractor's discretion and may include, among other options, repair or replacement, possibly at the Client's premises, or by sending the repaired or replacement part. Costs that do not directly arise from the Contractor's warranty obligation, such as, but not limited to, transport costs, travel and accommodation expenses, and costs of disassembly and assembly/installation, are borne by the Client. Repaired or replaced parts are subject to a new warranty period of 6 months, but any liability lapses 12 months after the delivery of the Product according to Article 6, paragraph 3.
3. In case of a defect in the assembly, repair, and/or maintenance of items delivered to the Client by third parties, the Contractor will remedy these defects. Thereafter, a new warranty period of 6

months applies for these remedied defects. Any liability lapses in any case 12 months after delivery according to Article 6, paragraph 3.

4. No warranty is given on inspections, advice, and similar services provided by the Contractor.
5. The warranty does not cover defects that occur in or are wholly or partially the result of:
 - a. Failure to follow operating and maintenance instructions;
 - b. Use other than the intended normal use;
 - c. Normal wear and tear;
 - d. (Dis)assembly/installation, modification, or repair by the Client or third parties;
 - e. The application of a government regulation;
 - f. Previously used materials and/or items employed in consultation with the Client;
 - g. Materials or items provided by or on behalf of the Client to the Contractor for processing;
 - h. Materials, items, methods, designs, and constructions applied at the express request and/or instruction of the Client, as well as materials and items supplied by or on behalf of the Client;
 - i. Parts (including software) obtained from third parties by the Contractor, insofar as the third party has not provided a warranty to the Contractor, or the warranty provided by the third party has expired or is not valid;
 - j. Connecting the delivered Products to a network that does not meet the standards set by the Contractor;
 - k. The use of unsuitable and/or contaminated oils/lubricants, the use of contaminated and wet compressed air, dirt in the Product, or use in an aggressive or otherwise unsuitable environment;
 - l. Granting (whether or not authorized) third parties access to a remote access device or allowing third parties to gain access to the remote access device (whether or not authorized).
6. The Contractor is not liable for infringement of third-party intellectual property rights resulting from:
 - i) Use of the Product outside the Netherlands;
 - ii) Use of the Product other than agreed;
 - iii) Use of the Product in combination with items or services not provided by the Contractor.
7. If the Client does not, does not properly, or does not timely fulfill an obligation arising from an agreement with the Contractor, the Contractor is not obliged to provide any warranty for any of these agreements. If the Client disassembles, repairs, modifies, or performs other work on the Product without prior written approval from the Contractor, all warranty claims are void. This also applies if the Client has these activities performed by a third party.
8. Defects must be reported in writing as soon as possible after their discovery and, if discovered on the last day of the warranty period, no later than 14 days after the expiration of the warranty period. Failure to meet these deadlines voids any claim against the Contractor for these defects. Legal claims must be brought within 1 year after timely written notification, under penalty of forfeiture of all rights.
9. If the Contractor replaces parts/products in compliance with its warranty obligations, the replaced parts/products become the property of the Contractor.
10. The Client's claim that the Contractor has not met its warranty obligations does not entitle the Client to suspend its obligations under an agreement with the Contractor.

11. If the Contractor finds no defects in a warranty claim, the Contractor may charge the Client for the costs incurred to investigate the warranty claim at the usual rate in the Contractor's business.
12. If the Contractor has not fulfilled its obligations under this article within a reasonable period, the Client may, in a written notice, set a final appropriate deadline within which the Contractor must still fulfill its obligations. If the Contractor does not fulfill its obligations within this final period, the Client may carry out the necessary repairs itself or have them carried out by a third party at the Contractor's expense. If the repair work is successfully carried out by the Client or a third party in this case, the Contractor must reimburse the reasonable repair costs incurred by the Client. This relieves the Contractor of all liability regarding the defect. The reimbursement by the Contractor will be a maximum of 15 percent of the agreed price for the delivered Product.
13. If the repair work is not successfully carried out according to the previous paragraph, the Client shall immediately notify the Contractor in writing. After this notification:
 - a. The Client is entitled to a reduction in the agreed price for the delivered Product in proportion to the reduced value of the Product. This reduction will be a maximum of 15 percent of the agreed price for the delivered Product, or
 - b. The Client may, if the defect is so serious that it substantially deprives the Client of the benefit of the contract, dissolve the agreement by written notice to the Contractor. The Client is then entitled to a refund of the price paid for the delivered Product and compensation for the damage suffered, up to a maximum of 15 percent of the agreed price for the delivered Product.

The Client must assert the rights mentioned in this paragraph within 1 year after the timely complaint, under penalty of forfeiture of rights.

Article 11 Liability

1. The Contractor's liability is limited to the damage that is the direct result of i) non-compliance with the warranty obligations described in Article 10 of these conditions and/or ii) intent or deliberate recklessness by employees belonging to the Contractor's management.
2. All other liability of the Contractor is excluded. This means that the Contractor is not liable for, among other things, (damage resulting from) exceeding the delivery time, non-delivery, liability to third parties, infringement of patents, licenses, or other third-party rights, damage or loss, for any reason, of raw materials, semi-finished products, models, tools, and other items provided by the Client, business damage, consequential damage, indirect damage, or any unlawful act or omission by (employees and/or assistants of) the Contractor. This enumeration is not exhaustive.
3. If the Contractor, without having been commissioned to perform the assembly/installation, provides assistance and support of any kind during the assembly/installation, it does so at the Client's risk.
4. The Client indemnifies the Contractor and holds it harmless against all claims by third parties for compensation of damage in connection with the execution of the agreement.

Article 12 Force Majeure

1. In these conditions, force majeure is defined as any circumstance beyond the control of the Contractor – even if it was foreseeable at the time of entering into the agreement – that permanently or temporarily prevents the fulfillment of the agreement. Force majeure includes pandemics, war, the threat of war, terrorism, civil war, riots, strikes, worker lockouts, transportation difficulties, fire, and other serious disruptions in the Contractor's business or that of its suppliers.

Article 13 Suspension and Termination

1. If the Contractor is unable to (fully) execute the agreement due to force majeure, the Contractor may either (i) suspend the execution of the agreement without judicial intervention for the duration of the force majeure, up to a maximum of 6 months, or (ii) wholly or partially terminate the agreement. If the Contractor exercises the right to suspend or terminate, no compensation is owed. During the suspension, the Contractor is authorized, and at the end of the suspension, obliged to choose either to execute (if possible) or to wholly or partially terminate the agreement.
2. In the event of suspension or termination under clause 1, the Contractor may immediately request payment for the raw materials, materials, parts, and other items purchased, reserved, processed, and manufactured for the execution of the agreement, for their reasonably assessed value. In case of termination under clause 1, the Client shall take over these items after paying the due amount; failing this, the Contractor is authorized to store, sell, or destroy these items at the Client's expense and risk.
3. If the Contractor has good reason to believe that the Client is unable or unwilling to meet its contractual obligations, the Contractor has the right to request adequate security from the Client for all (whether or not due) obligations of the Client under agreements with the Contractor and to suspend its own performance pending the requested security. This also applies in case of bankruptcy, suspension of payments, cessation, liquidation, or total or partial transfer of the Client's business. If security is not provided within a reasonable period set by the Contractor, the Contractor is entitled to wholly or partially terminate the agreement. These powers are in addition to its other rights under the law, the agreement, and these conditions.
4. If the Client fails to meet, fails to meet on time, or fails to properly meet any obligation under an agreement with the Contractor, the Contractor may suspend and/or terminate the execution of the agreement.
5. In the event of suspension under clause 3 or 4, the Contractor may store the raw materials, materials, parts, and other items purchased, reserved, processed, and manufactured for the execution of the agreement at the Client's expense and risk. This also applies in the event of termination under clause 3 or 4, where the Contractor may choose to sell or destroy these items at the Client's expense instead of storing them. In the event of suspension or termination under clause 3 or 4, the Contractor is entitled to full compensation, but is not liable for any compensation itself.

Article 14 Disputes

All disputes arising from an agreement to which these terms and conditions apply wholly or partially, or from subsequent agreements derived from it, shall be submitted to the competent Dutch court of

the district in which the Contractor is established, unless the Contractor deviates from this and chooses to apply the statutory jurisdiction rules.

Article 15 Applicable Law

All agreements to which these terms and conditions apply wholly or partially are governed by Dutch law, applicable to the Kingdom in Europe and, to the extent permitted, excluding the referral and conflict rules of international private law. The applicability of the Vienna Convention on Contracts for the International Sale of Goods is excluded.

Supplementary Conditions for Manufacturing, Assembly, and Installation

In addition to the aforementioned terms, the following conditions apply in the event of manufacturing, assembly, and installation by the Contractor:

Article 16 Price

1. The delivery of piping as well as the provision of piping drawings are not included in the offer.
2. Cost estimates and plans will not be charged separately unless otherwise agreed. If the Contractor needs to create new drawings, calculations, descriptions, models, tools, etc., for any additional orders, costs for these will be charged.
3. Costs for loading and unloading, and transportation of raw materials, semi-finished products, models, tools, and other items provided by the Client are not included in the price and will be invoiced separately. Costs paid by the Contractor for these items will be considered as an advance payment to be deducted from the Client's account.
4. If the Contractor has agreed to install the Product, the price is calculated to include installation and the commissioning of the Product at the location specified in the offer and includes all costs, except for those costs that, according to the preceding clauses or Article 17 of these terms, are not included in the price. Costs incurred due to unworkable weather conditions will be passed on to the Client.

Article 17 Installation/Assembly

1. If the parties have agreed that the Contractor will handle the installation/assembly of the Product to be delivered, the Client is responsible for the correct and timely preparation and execution of all arrangements, provisions, and/or conditions necessary for the setup of the Product to be installed/assembled and/or the proper functioning of the Product in its installed/assembled state. This does not apply if and to the extent that the parties have agreed in writing that such preparation and execution will be carried out by or on behalf of the Contractor according to drawings and/or data produced or provided by or on behalf of the Contractor.
2. Notwithstanding the provisions of paragraph 1, if it has been agreed that the Contractor will handle the installation/assembly of the Product to be delivered, the Client must ensure at its own expense and risk that:

- a. suitable housing and/or all facilities required by government regulations, the agreement, and usage for the Contractor's personnel are provided;
 - b. access roads to the installation site are suitable for the required transport;
 - c. the designated installation site is suitable for storage and assembly;
 - d. necessary lockable storage spaces for materials, tools, and other items are available;
 - e. necessary and customary auxiliary workers, auxiliary tools (such as scaffolding, hoists, cranes, ladders, electrical and oxyacetylene welding equipment, excluding usual hand tools), auxiliary and operating materials (fuels, oils and greases, cleaning and other small materials, gas, water, electricity, steam, compressed air, heating, lighting, etc.), and measuring and testing equipment customary for the Client's business are timely and free of charge available at the correct location for the Contractor;
 - f. all necessary safety and precautionary measures are taken and maintained, and all measures are taken and maintained to comply with applicable government regulations in the context of the installation/assembly;
 - g. at the start and during the installation, the delivered Products are present at the correct location;
 - h. the installation site complies with the Contractor's other installation requirements.
3. Damages and costs arising from failure to meet the conditions set out in this article or from delays in meeting these conditions are the responsibility of the Client.
 4. The installation does not include: a. supervising the filling of the delivered Product with the medium intended for the Client's installation; b. providing, on days determined by the Contractor, the necessary instructions for operating the Product to the Client's personnel who will be responsible for its operation; c. connecting and/or attaching the delivered Product to the Client's installation; d. supplying and installing electrical wiring; e. excavation, digging, breaking, masonry, concrete work, carpentry, plastering, painting, or similar work; f. painting or otherwise externally applying a protective layer to the pipes; g. supplying the medium intended for the Product and filling the Product with it; h. cleaning work related to leaks in the installation.
 5. If the Client requests work to be performed outside normal working hours, a surcharge will be applied according to the Contractor's prevailing rates.
 6. Regarding the installation/assembly time, Article 6 is applicable.
 7. The Client is responsible for the expert and correct use and application of the Products in its organization, as well as for applying appropriate administrative and calculation methods.

Article 18 Warranty

1. Article 10, paragraph 1, also applies to defects that are not observable during an inspection or acceptance test, if such defects are solely or predominantly caused by defective installation/assembly by the Contractor. If the Contractor installs the Product, the warranty period referred to in Article 10, paragraph 1, begins on the day the installation/assembly by the Contractor is completed, and in any case, this warranty period ends 12 months after delivery according to Article 6, paragraph 3.
2. For repaired or replaced parts, a new warranty period of 6 months applies. If paragraph 1 is applicable, any warranty expires 18 months after the latest delivery.
3. For repair, revision, and maintenance work and similar Services performed by the Contractor outside of the warranty, unless otherwise agreed, a warranty is only given on the soundness of the execution

of the assigned work for a period of 6 months. This warranty only includes the Contractor's obligation to redo the work, if found defective, to the extent of its defectiveness. The third sentence of Article 10, paragraph 2, is applicable by analogy. In such cases, a new warranty period of 6 months applies, with any warranty expiring as soon as 12 months have passed since the original work.

Additional Terms for Software Delivery

In addition to the aforementioned, the following provisions apply in the case of software delivery by the Contractor:

Article 19 Delivery of Software

1. If the Contractor delivers software to the Client, whether or not as part of a larger agreement, the parties shall describe in the agreement what constitutes part of the software. Anything not described does not form part of the software and/or the agreement.
2. The software shall include, as far as possible, the executable program code, the accompanying documentation (in electronic form), and installation instructions (if and to the extent necessary). The source code shall never be part of the agreement and shall remain the property of the Contractor at all times. The Contractor is not obliged to provide updates of the software to the Client.

Additional Conditions for Delivery to Countries Outside the European Union

In addition to the aforementioned, the following applies in the case of manufacturing, assembly, and installation by the Contractor:

Article 20 Prohibition on Re-export to Countries on the EU Sanctions List

1. The Client may not sell, export, or re-export Products, directly or indirectly, to countries listed on the EU Sanctions List, or for use in or by countries listed on the EU Sanctions List, if those Products fall under the sanctions policy as mentioned in the relevant (EU) Regulation.
2. The Client shall make every effort to ensure that the objective of paragraph 1 is not thwarted by third parties further down the supply chain, including potential resellers.
3. The Client shall establish and maintain an adequate monitoring mechanism to detect behavior by third parties further down the supply chain, including potential resellers, that would frustrate the objective of paragraph 1.
4. Any violation of paragraphs 1, 2, or 3 constitutes a material breach of a fundamental part of the agreement and entitles the Contractor to take appropriate measures, including but not limited to: (i) termination of the agreement; and (ii) a penalty of 50% of the total value of the agreement or the price of the exported goods, whichever is higher.
5. The Client must immediately inform the Contractor of any issues in applying paragraphs 1, 2, or 3, including relevant activities by third parties that could undermine the objective of paragraph 1. The Client shall provide the Contractor with information on compliance with the obligations under paragraphs 1, 2, and 3 within two weeks of a request for such information.

- * This translation of the General Terms and Conditions of Sale and Delivery of Federatie Aandrijven en Automatiseren (FEDA) has been prepared with the utmost care. However, FEDA accepts no liability for errors or omissions in this translation nor for any direct or indirect consequences of acting or failing to act based on this translation. No rights whatsoever can be derived from the contents of this translation. The text of the original Dutch document (Filed at the Registry of the Court of The Hague, the Netherlands, on 5th of July 2024, under no. 2024.17) prevails in all cases.