

# GENERAL CONDITIONS OF SALE

Wattman-Europe B.V. | DBA Wattman World, est. in Almere, The Netherlands

## Article 1 – Definitions

Unless otherwise clearly demonstrated by the context, the following terms have the meanings specified below:

1. **WE:** Refers to Wattman Europe BV, including its owners, partners, shareholders, and directors, as well as the owners, partners, shareholders, and directors of any affiliated or associated companies.
2. **Client:** The individual or entity that orders, rents, purchases, or otherwise enters into an agreement with WE.
3. **Offer:** A proposal or quotation issued by WE for the provision of goods and/or services.
4. **Judicial and Extrajudicial Expenses:** Includes, but is not limited to, all costs related to debt recovery or enforcement, such as sequestration, liens, legal proceedings, bankruptcy petitions, and other associated expenses.
5. **Order:** A formal request submitted by the Client for the supply of goods or services.
6. **Order Confirmation:** The confirmation by WE of an order placed by the Client, whether provided verbally or electronically through acceptance of an offer or quotation.
7. **Agreement:** A legally binding contract executed between WE and the Client for the provision of goods or services.
8. **Parties:** Refers collectively to WE and the Client.
9. **Price:** The sale price of a product or service as detailed on the invoice, exclusive of applicable taxes, such as sales tax or other government-imposed fees.
10. **Products:** Includes all goods or services provided by WE or its affiliated trade partners.
11. **Conditions of Transport:** Conditions of Transport are interpreted in accordance with the latest edition of applicable Incoterms. These terms include:
  - (I) transportation Insurance;
  - (II) the transportation of goods to the agreed destination; and
  - (III) the transfer of risks and costs associated with the delivery of products from WE to the Client.
12. **Provisional Agreement:** A temporary or conditional agreement for the supply of goods or services between WE and the Client.
13. **Conditions:** Refers to the present General Terms and Conditions of Sale of WE, which apply to all agreements, transactions, and interactions between WE and the Client unless explicitly stated otherwise and agreed to in writing.

## **Article 2 – Applicability**

1. These Conditions apply to all Offers, Quotations, (Provisional) Agreements, Order Confirmations, and any other legal relationships related to the sale and delivery of products and services by WE to the Client.
2. These Conditions apply exclusively to Clients acting in the course of their trade, business, or profession. These Conditions do not apply to consumers within the meaning of applicable European or Dutch consumer protection legislation.
3. Deviations from and additions to these Conditions are valid only if explicitly agreed to in writing by both Parties, including through electronic communications where explicitly authorized under the Agreement.
4. The application of any terms and conditions provided by the Client, including but not limited to purchasing conditions, is explicitly rejected and shall not apply to any transaction or Agreement with WE.
5. If any provision of these Conditions is found to be invalid, unenforceable, or otherwise void, such provision shall be replaced by a valid provision that most closely reflects the intent and purpose of the invalid clause. This replacement shall not affect the enforceability or validity of the remaining provisions, which shall continue in full force and effect.

## **Article 3 – Offers, Quotations, Provisional Agreements, and Orders**

1. All Offers, Quotations, Provisional Agreements, and Orders made by WE are non-binding, even if they specify a period for acceptance, unless explicitly stated otherwise in writing.
2. Provisional Agreements and Orders are binding upon the Client once issued or placed.
3. WE reserves the right to revoke or amend any Offer or Quotation prior to its acceptance if new information, conditions, or circumstances necessitate such changes.
4. Descriptions, depictions, and illustrations of Products and Services provided by WE are for informational purposes only and shall not form part of any warranty or legal claim unless explicitly incorporated into the Agreement.

## **Article 4 – Agreements**

1. An Agreement may be concluded verbally, in writing, or electronically. Following the conclusion of such an Agreement, WE shall confirm the terms by issuing a written Order Confirmation.
2. WE reserves the right to modify any Order Confirmation by providing written notice to the Client if such modification becomes necessary due to changes in circumstances. This applies regardless of whether such circumstances were foreseeable at the time of the original order.
3. Any Agreement entered into by WE constitutes an undertaking to perform or deliver as specified. WE does not guarantee that the goods, services, or actions provided will meet any specific objectives or purposes expected by the Client unless expressly agreed in writing.
4. Any (judicial) actions taken by or between the Client and third parties, including the Client's employees, agents, or subcontractors, shall not bind WE unless WE has expressly agreed to such actions in writing.
5. The Client acknowledges and agrees that WE may subcontract all or part of the performance of the Agreement to a third party, provided WE remains fully responsible for fulfilling its obligations under the Agreement. Unless expressly agreed to in writing by the Client, Unless expressly agreed to in writing by the Client, WE shall not delegate or assign obligations involving personal services or unique expertise that form the core basis of the Agreement. In

cases involving multiple parties, WE's obligations shall remain several, and no joint liability shall be imposed unless explicitly agreed in writing.

## **Article 5 – Prices**

1. All prices are: (I) Net and exclusive of all applicable taxes, government fees, and duties; (II) based on the delivery terms specified in the Order Confirmation; and (III) determined according to the prices and specifications in effect on the date of the Order Confirmation.
2. Unless otherwise agreed, all prices are quoted in Euro. Any currency exchange fluctuations shall be the sole responsibility of the Client.
3. If the Agreement specifies pricing in United States Dollars (USD) or Canadian Dollars (CAD), the invoice amount shall be converted and paid based on the exchange rate of Euro to USD or CAD on the day payment is made, regardless of whether the rate is favorable or unfavorable to the Client.
4. The applicable exchange rate for Euro to USD or CAD shall be determined by WE at the time payment is processed.
5. The following costs are excluded from the Price and shall be calculated and charged separately:
  - a) The Client acknowledges that costs specified under this Section may vary based on the agreed destination, carrier, and applicable customs requirements;
  - b) Costs for insurance and/or warehousing of all Products provided to or ordered by the Client.
6. Any costs specified under Section 5 above shall be itemized and detailed in the Order Confirmation.
7. Prices previously agreed to or applied do not establish any obligation on WE to maintain or apply those prices in the future.
8. In the event of any changes to import duties, tariffs, or similar government-imposed costs, WE reserves the right to pass these additional costs on to the Client. Any adjustments will be calculated based on the prevailing rates at the time of import and communicated to the Client in writing, along with supporting documentation if requested.

## **Article 6 – Delivery and Risks**

1. From the moment of delivery at the agreed place of destination, as specified in the Order Confirmation, the delivered Product is at the Client's risk and expense, even if WE retains ownership of the Product pursuant to Article 9.1 of this Agreement.
2. Products furnished by WE shall be delivered to the agreed place of destination, as specified in the Order Confirmation.
3. Transportation of the Products to the agreed place of delivery shall be conducted in accordance with the Conditions of Transport stipulated in the Order Confirmation.
4. A clean receipt by the carrier for Products presented by WE for transportation shall serve as sufficient proof that the Products were accepted in good condition unless transport damage is noted on the waybill or transportation receipt and supported by photographic evidence taken at the time of delivery.
5. Unloading at the point of destination using equipment or personnel provided by the Client or its subcontractors is conducted entirely at the Client's risk and expense. WE accepts no liability for delays, damages, or injuries arising from such equipment, personnel, or actions.
6. The Client is responsible for obtaining adequate insurance to cover risks associated with unloading equipment and actions, as described in Article 6.5. In the event of damages arising

during unloading, as described in Article 6.5, the Client agrees to indemnify and hold WE harmless from all claims, including claims by third parties.

7. In the event WE is unable to meet a delivery or other agreed term, the Client shall only be entitled to compensation if specifically agreed upon in writing and limited to the remedies outlined in the Agreement.
8. If the Client fails to collect purchased goods within 30 days of the purchase date, WE reserves the right to charge storage and holding fees at a rate of \$100.00 per day, up to a maximum of 180 days, unless otherwise agreed in writing. WE will notify the Client at regular intervals of accumulating fees. Fees shall not exceed the value of the goods unless explicitly agreed in writing.

#### **Article 7 – Security and Ownership**

1. WE reserves the right to conduct due diligence on the Client's solvency before initiating or continuing performance under the Agreement.
2. All Products delivered remain the property of WE until full payment is received. The Client must take reasonable measures to protect WE's property interests and notify WE immediately of any third-party claims.
3. If payment defaults occur, WE may repossess Products and retain ownership rights until obligations are fully met.

#### **Article 8 – Payment**

1. The Client shall pay invoices as rendered without any reduction, deduction, or offset for damages, claims, or other adjustments. Payment is due within seven (7) calendar days from the invoice date. Receipt of the invoice shall be presumed upon electronic delivery or physical mailing, unless otherwise contested by the Client within two (2) business days. (I) in U.S. Dollars (USD), unless otherwise specified in the Agreement; (II) made in strict compliance with the payment conditions stipulated on the invoice; and (III) remitted to the bank account designated by WE. The Client shall not postpone, delay, reduce, or interrupt payment for any reason.
2. Unless otherwise specified in the Order Confirmation, the Client shall pay WE no later than upon delivery of the Products or services.
3. Upon receiving a reasonable request from WE for payment of a deposit or installment, the Client is obligated to remit such payment promptly as specified.
4. The entire agreed price becomes immediately due and payable if any of the following occurs:
  - a) The Client fails to make timely payment of any installment.
  - b) The Client files for bankruptcy, is declared bankrupt, or enters receivership.
  - c) A petition is filed to place the Client under guardianship or similar legal protection.
  - d) The Agreement is dissolved, in which case all amounts owed to WE become immediately payable. If WE suspends its obligations, it retains all rights under the law and this Agreement.
  - e) The Client's property or claims are subjected to seizure or attachment.
  - f) The Client's business is dissolved or terminated, except in cases of lawful business reorganization or merger.

Prior to demanding immediate payment of the agreed price under this Section, WE shall provide the Client with written notice of default and an opportunity to cure the default within five (5) business days.

5. If the Client defaults on any payment due to WE, the Client is liable for: (I) Interest at the rate of 1.5% per 4-week period shall accrue beginning the first day after the payment due date until

the outstanding amount is fully paid. (II) Reasonable attorneys' fees shall include fees customary for commercial collections in the applicable jurisdiction.

6. Payments shall be applied in the following order, irrespective of any contrary instructions by the Client: (I) Accrued interest; (II) Fees and expenses; and (III) Outstanding principal amounts, applied in chronological order of due dates.

#### **Article 9 – Conservation of Ownership**

1. All Products delivered to the Client remain the property of WE until the Client has fully paid all amounts owed to WE under the Agreement, including any balances due or payable, whether currently due or payable in the future. During this period, the Products shall be at the Client's risk and expense.
2. Notwithstanding any obligations regarding delivery, WE reserves the right to retain possession of the Products, ownership thereof, and any related information or documents produced in connection with the Agreement until the Client has satisfied all payment obligations under the Agreement.
3. If WE has delivered Products that remain its property under this conservation of ownership clause, the Client shall:
  - a) The Client shall ensure continuous insurance coverage for Products against risks including, but not limited to, fire, theft, explosion, and water damage, for a minimum amount equal to the Price specified in the Order Confirmation, until all obligations under the Agreement are satisfied.
  - b) Not encumber, sell, lease, or otherwise transfer the Products without WE's prior written consent unless such actions are part of the Client's ordinary course of business. Any proceeds from such sales or rentals shall be held in trust for WE until the Client's obligations under the Agreement are fully satisfied.
  - c) Treat the Products as the property of WE and take reasonable measures to protect and preserve them.
  - d) Comply with all reasonable directives from WE necessary to safeguard WE's ownership interests in the Products.
  - e) Notify WE within 24 hours of any third-party claims, liens, or attempts to assert rights over the Products.
  - f) Indemnify and hold WE harmless from any claims or actions that could jeopardize WE's ownership rights in the Products.
  - g) Immediately return the Products to WE upon WE's request, regardless of whether the Products are stored on the Client's premises or elsewhere.
  - h) Upon WE's demand, grant WE immediate access to the Products, wherever they are located, to enable WE to recover possession.

#### **Article 10 – Warranties, Verification, Claims**

1. Upon delivery of the Products, WE transfers any applicable manufacturer or supplier warranties to the Client. WE shall have no further obligation under these warranties and acts solely as a facilitator for such transfers.
2. The Products may be covered by the New Train Limited Warranty issued exclusively by Wattman Trains & Trams Inc., the manufacturer of the Products.

Such warranty, if applicable, is provided solely by Wattman Trains & Trams Inc. in accordance with its terms and conditions. WE does not provide any independent warranty, guarantee, or representation with respect to the Products and shall have no warranty obligations beyond facilitating communication between the Customer and the manufacturer, where appropriate.

All warranty rights, remedies, limitations, exclusions, and procedures shall be governed exclusively by the applicable New Train Limited Warranty issued by Wattman Trains & Trams Inc.

3. If the Client identifies transport damage upon receipt of the Products, the following steps must be taken:
  - Report the damage to the driver immediately.
  - Take clear photographs of the situation inside the container or truck, as well as the specific damage to the Products.
  - Note the damage on the delivery documents when signing for receipt of the goods.
  - The Client must take reasonable steps to prevent further damage after identifying transport-related issues and reporting them to WE.

Transport damage must be reported to WE in writing within twenty-four (24) hours of receipt. Failure to comply with these requirements will result in the Client waiving any claims against WE for transport-related damage.

4. If transport-related damage is discovered after delivery and was not apparent at the time of receipt, the Client must notify WE in writing within forty-eight (48) hours of discovery, supported by photographic evidence. Failure to comply will result in the Client waiving such claims.
5. Upon receipt of the Products, the Client must immediately verify whether the Products meet the terms of the Agreement, including quality and conformity with agreed specifications. If the verification reveals any discrepancies, the Client must notify WE in writing, supported by clear pictures of the issue, without delay and no later than five (5) calendar days after delivery. Receipt of such notification by WE does not constitute acceptance of liability but will prompt an investigation in accordance with these Conditions.
6. If it is established within the timeframes specified in Sections 10.3 and 10.4 that a Product has transport damage or a manufacturing defect, WE may, as a commercial courtesy and without assuming any legal obligation, assist the Customer in communicating with the relevant transport insurer or the applicable manufacturer.

Such assistance shall not constitute an acknowledgment of liability, acceptance of a warranty claim, or assumption of any repair, replacement, or reimbursement obligation by WE.

WE shall not bear any costs associated with transport damage, manufacturing defects, inspection, repair, replacement, transport, or related expenses unless expressly agreed in writing by an authorized representative of WE.

7. The Client shall be deemed to have accepted the Product and waived any claims if the Client:
  - a) Places the Product into service;
  - b) Uses or operates the Product;
  - c) Delivers the Product to a third party or allows a third party to use or operate it; or
  - d) Takes any action that demonstrates acceptance or use of the Product beyond initial inspection.

## **Article 11 – Liability**

1. WE's liability for damages towards the Client or third parties arising from or in connection with the execution of the Agreement to provide Products or services is limited to the amount of coverage for direct damages stipulated by the liability insurance policy held by the manufacturer, for the applicable event, plus the amount of the deductible specified in the policy.

2. If no payment is made under the policy referenced in Section 11.1, for any reason, WE's liability is limited to the lesser of the invoice value or € 75.000,00.
3. The liability limitations outlined in Section 11.2 do not apply in cases of deliberate misconduct or gross negligence by WE or its management.
4. The liability outlined in Section 11.1 is strictly limited to direct damages. Direct damages are defined as reasonable, demonstrable, and necessary costs directly incurred due to WE's breach, excluding speculative, punitive, or incidental damages.
  - Reasonable costs incurred to determine the cause and extent of damages, provided such determination pertains to damages covered under these Conditions;
  - Reasonable costs incurred to facilitate the establishment of WE's responsibility for defective performance, to the extent chargeable to WE; and
  - Expenses incurred by the Client to prevent or mitigate further damage, provided the Client can demonstrate that such expenses were reasonable and necessary.
5. WE shall not be liable for any indirect damages, including but not limited to consequential damages, loss of profits, lost savings, or damages resulting from business interruption or operational delays.
6. In the event a court rejects WE's defenses under Section 11.4, the limitations of liability described in Sections 11.1 and 11.2 shall nonetheless apply.
7. WE exercises due care when subcontracting third parties or utilizing equipment, software, programs, databases, registers, or other tools in the execution of the Agreement. However, WE assumes no liability for defects, errors, or malfunctions caused by such third parties or tools, or for their improper or incomplete functioning.
8. Nothing in these General Conditions of Sale shall exclude or limit liability where such exclusion or limitation is not permitted under applicable law, including liability arising from willful misconduct or gross negligence to the extent such liability cannot be limited under mandatory Dutch law.

## **Article 12 – Force Majeure**

1. Force Majeure refers to circumstances beyond WE's reasonable control that wholly or partially prevent the execution of the Agreement, including but not limited to: war, terrorism, civil unrest, natural disasters, regulatory changes, cyberattacks, pandemic-related disruptions, or non-performance by critical suppliers.
2. If a Force Majeure event persists for more than ninety (90) days, WE may terminate the Agreement by providing written notice to the Client. Before termination, the Parties shall consult to explore reasonable alternatives. In such cases:
  - The value of the portion of the Agreement completed as of the termination date shall be calculated proportionally.
  - WE is entitled to payment for expenses incurred in the performance of the Agreement up to the termination date.
  - In cases involving repairs or maintenance, WE is entitled to reimbursement only for costs that directly benefit the Client.
3. If the execution of the Agreement becomes impossible due to actions or omissions by the Client, WE is entitled to the full agreed Price, plus any applicable additional costs, less any savings realized due to non-completion of the work.

## **Article 13 – Intellectual Property**

1. WE and its suppliers retain all intellectual and industrial property rights associated with the Products, services, and materials provided to the Client under the Agreement. These rights remain the exclusive property of WE and its suppliers, and nothing in the Agreement shall be construed as transferring ownership of such rights to the Client.
2. The Client is expressly prohibited from reproducing, distributing, modifying, reverse-engineering, or otherwise exploiting WE's intellectual property without prior written consent.
3. The Client shall notify WE in writing of any potential or actual infringement claims involving the Products within ten (10) business days of becoming aware of such claims.

## **Article 14 – Expiration**

All warranty claims relating to Products covered by the New Train Limited Warranty issued by Wattman Trains & Trams Inc. shall be governed exclusively by the applicable warranty period, limitations, and procedures set forth in that New Train Limited Warranty.

Any non-warranty claims arising out of or relating to the Agreement, including contractual or tort claims against WE, must be brought within one (1) year from the date of delivery of the relevant Product, failing which such claims shall be time-barred.

Nothing in these General Conditions of Sale shall be interpreted to limit, shorten, expand, or otherwise modify the warranty period granted under the New Train Limited Warranty issued by Wattman Trains & Trams Inc.

## **Article 15 – Hold Harmless**

1. The Client agrees to indemnify and hold WE harmless from third-party claims arising from damages connected to the execution of the Agreement, provided such claims do not exceed the scope of the Agreement or arise from WE's gross negligence or willful misconduct.
2. The Client also agrees to indemnify and hold WE harmless from fines, penalties, claims, assessments, or other actions imposed by governmental authorities. If WE is held liable by a third party or governmental entity for such matters, the Client shall provide full cooperation and assistance to WE, both in legal and extrajudicial proceedings, and shall take all actions reasonably necessary to resolve the matter. If the Client fails to take timely and adequate steps, WE reserves the right to act independently to protect its interests, and all associated costs and expenses incurred by WE or third parties shall be borne entirely by the Client.
3. The indemnification obligations outlined in this Article extend to all management, employees, agents, and associated personnel of WE.

## **Article 16 – Termination of the Agreement**

### **1. Termination by Mutual Consent**

An Agreement may be terminated in full or in part by mutual written consent of the parties. In the event of such termination:

- WE is entitled to:

(I) A fixed termination fee equal to 10% of the total Agreement amount if the termination occurs within 30 days of the Agreement date.

or



(II) A fixed termination fee equal to 25% of the total Agreement amount if the termination occurs 30 days or more after the Agreement date.

These fees are intended to compensate WE for damages and expenses related to the early termination. If the actual costs incurred by WE exceed the calculated termination fee, the Client remains liable for the full payment of such costs.

- Any deposit paid by the Client is non-refundable under all termination circumstances unless explicitly stated otherwise in the Agreement.

## **2. Termination for Cause**

Either party may unilaterally terminate the Agreement if the other party materially breaches any of its obligations under the Agreement.

- The terminating party must notify the defaulting party in writing, providing:
  1. Full details of the alleged breach; and
  2. A reasonable period for the defaulting party to cure the breach.
- Termination may proceed only if the defaulting party fails to cure the breach within the specified timeframe.

## **3. Immediate Termination**

Either party may unilaterally and immediately terminate the Agreement by written notice, without prior warning, if:

- a) The other party is declared bankrupt or placed in receivership;
- b) The other party requests deferment of payments;
- c) A petition is filed to place the other party in receivership; or
- d) The other party's firm or enterprise is liquidated or closed for reasons other than a lawful business reorganization or merger.

In such cases, WE shall not be obligated to refund any payments received, including deposits, or compensate the Client for damages resulting from termination.

## **4. Obligations upon Termination**

Obligations for products and services already provided remain in force unless the Client demonstrates that WE is in default. Obligations for undelivered products are limited to refunds, replacements, or other remedies expressly outlined in the Agreement. WE shall not be liable for any consequential damages resulting from such undelivered products.

## **Article 17 – Jurisdiction and Disputes**

1. These Conditions, along with all Offers, Quotations, Provisional Agreements, Order Confirmations, Agreements, and other legal relationships governed in full or in part by these Conditions, are subject to the laws of the Netherlands.
2. Disputes shall first be submitted to mediation within thirty (30) days of notice. If mediation fails to resolve the dispute within sixty (60) days, the matter shall be submitted to the exclusive jurisdiction of the courts in Amsterdam, The Netherlands.
3. Notwithstanding Section 17.2, WE reserves the right to bring any dispute before any other court having competent jurisdiction.
4. Applicability of the Trade Convention of Vienna is excluded.

**Article 18 – Translation**

In the event, the present Conditions are translated, and a difference of interpretation occurs between the English text and the text of the other language, the English version shall be the defining one.