

1. EXPORT CONTROL REGULATION

- 1.1 In no event shall Vossloh-Schwabe (VS) be bound by any terms and conditions that contravene any laws, regulations or other restraints of any relevant countries. All sales and purchases hereunder shall be subject to obtaining any licenses under the said relevant laws, if required. Distributor shall, upon VS's request, furnish VS with all information and documentation necessary for Vossloh-Schwabe in obtaining and comply with the required licenses.
- 1.2 During and after the term of this agreement, distributor shall not sell, lease or otherwise dispose of "GOODS" to any customer who in distributor's knowledge may make use of "GOODS" for "Military Purposes". For the purpose of this article, "GOODS" mean any and all the products, their replacement parts and any technical documents or technical services associated therewith to be supplied by VS to distributor hereunder, and "Military Purposes" mean the design, development, production, use or stock-piling of any such mass destructive weapons as nuclear weapons, biological weapons, chemical weapons and missiles.
- 1.3 During and after the term of this agreement, distributor shall not export "GOODS", directly or indirectly, to any of the countries against which any economic sanction is imposed under resolutions approved by the security council of the United Nations, so far as "GOODS" remain the "prohibited subject", whose export to such countries is prohibited thereunder.
- 1.4 In the case of any breach of this Article, distributor shall be liable to Vossloh-Schwabe for any and all direct and indirect damages incurred by Vossloh-Schwabe arising from such breach, and VS may immediately cancel this agreement and all existing sales agreements hereunder without any liability to Distributor.