

## GENERAL TERMS AND CONDITIONS OF PURCHASE

STF BALCKE-DUERR SRL

Revision of May 2020 – ENGLISH Version

### 1. GENERAL

1.1 The following terms and conditions are integral part of the purchase order (hereinafter: "Order") issued by STF Balcke-Duerr. Supplier's terms and conditions, also when expressly recalled in the Supplier's offer/acceptance, as well as any other provisions that deviate from this terms and conditions, shall not be applicable to STF Balcke-Duerr unless expressly approved in writing. Unless otherwise expressly provided in the Order, the purchase contract (the "Contract") shall be executed and binding for the parties with the acceptance of the Order by the Supplier in any way and by any instrument expressed (also tacitly). Unless otherwise agreed, all the communication related to the Contract shall be in the language of the Order.

1.2 The Order, these terms and conditions, the specifications, drawings and/or other documents referred to in the Order or attached therein ("Contractual Documents"), represent the entire agreements and covenants reached by the parties with regards with the supply subject matter of the Contract and supersede any prior or contemporaneous offers, communications, representations, promises or negotiations, whether oral or written, with respect to the supply. Each Contractual Document forms part integral and essential of the Order. They shall be read and interpreted as a sole document. In case of discrepancy the order of precedence in which the Contractual Documents are listed in the Order shall apply.

### 2. SCOPE OF SUPPLY

2.1 Scope and nature of supply are described in the Order and Contractual Documents. The supply shall also include any and all goods, assets and services which are technically required to fully comply with industrial custom, expert opinion and /or other relevant provisions even though these goods, assets and services might not have been explicitly mentioned in the Contract.

2.2 The scope of supply includes the preparation and delivery of all pertinent documentation required for the manufacturing completion, quality record, import/export documents and such as mentioned in the Contractual Documents (including but not limited to any and all documents, certification, statements that STF Balcke-Duerr might discretionally request to prevent the infiltration of counterfeit, fraudulent and suspect items in the supply chain). STF Balcke-Duerr shall indicate in the Order or in a different Contractual Document the documents that must be provided by the Supplier and which documents shall have to be previously approved by the STF Balcke-Duerr and which documents shall have to be provided for information. Without prejudice for the Supplier's obligation to perform the Contract without waiting for any STF Balcke-Duerr's approval and/or acceptance for those documents for which the preventive approval has not been specifically foreseen, STF Balcke-Duerr reserves the right to review, comment and require amendments and/or integration also on such documents. Unless agreed otherwise, no review and/or comments by STF Balcke-Duerr, nor any failure to review shall alter any of the terms and conditions of the Order nor relieve the Supplier of any responsibility or liability arising from the Contract nor could be interpreted as to imply STF Balcke-Duerr's preventive approval of such drawings and data.

2.3 Provided that nothing to the contrary has been agreed, the Supplier shall provide the deliveries and/or services in such manner that the entire delivery chain, including but not limited to, development, design, manufacture, packaging, labeling, reporting, carriage, transport, installation, operation, cleaning, maintenance, repair and disposal is in compliance with the applicable statutory and governmental regulations, provisions, rules, guidelines and other legal applicable provisions, particularly those governing quality, environmental protection, industrial safety, transport safety and product safety.

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### 3. PRICE

3.1 The price stated in the Order shall constitute full and comprehensive payment for the supply perfectly and properly completed in all its parts, and accessories, according to the Contract, including all costs, taxes, duties and fees and other charges incurred by the Supplier or related to the supply unless otherwise expressly specified (the “Price”).

3.2 The Price is meant fixed and invariable. Unless agreed otherwise in writing, Supplier shall not be entitled to Price revisions for any reason including increase in the costs on labor and raw materials.

3.3 Unless otherwise agreed in the Order, the Price shall be due and payable upon 90 days from the invoice end of month. Payment of the Price shall not constitute acceptance of the supply nor release the Supplier from their obligations and liabilities.

### 4. DELIVERY TERMS

4.1 All the terms stated in the Contract are material and binding, including the terms agreed for the delivery during the execution of materials and technical documentation. Unless agreed otherwise in writing, the “Delivery Date” stated in the Order refers to the delivery of the supply completed with all technical documentation pursuant to point 2.2 above. Deliveries before the agreed delivery dates shall entitle STF Balcke-Duerr to refuse supply/service until it is due.

4.2 Supplier shall immediately notify STF Balcke-Duerr if the timely performance under the Contract is delayed or is likely to be delayed. In this case, STF Balcke-Duerr shall have the authority to instruct the Supplier and request them to take any measure deemed opportune to expedite the delivery. Without prejudice for STF Balcke-Duerr’s right to the penalty for delay and to be indemnified of any damages, Supplier shall be the sole responsible for all costs and expenses related to the actions requested to expedite the delivery and shall indemnify and keep the STF Balcke-Duerr harmless of any damages, costs and expenses incurred in relation to any expediting measures. No instructions provided by the STF Balcke-Duerr nor expediting measures directly taken shall be in anyway interpreted as STF Balcke-Duerr’s waiver of any of Supplier’s obligations and/or STF Balcke-Duerr’s right of indemnifications.

4.3 STF Balcke-Duerr shall be entitled to refuse partial or incomplete deliveries not previously agreed upon with the Supplier.

4.4 Supplier shall notify STF Balcke-Duerr of the expected delivery date no later than 14 (fourteen) days prior to the agreed delivery date. Unless otherwise agreed in writing, within the same term Supplier shall submit copies of the packing lists.

4.5 All components shall be marked and packed in accordance with STF Balcke-Duerr instructions and, in any case, in a suitable manner for the relative transport. Packaging and/or other protection shall be such as to allow handling and stowage without damage as well as effective protection from natural deterioration of materials, both in loading, unloading, transport and during storage in warehouse or in users’ plant.

### 5. STORAGE

5.1 Supplier agrees that, if required and so requested by STF Balcke-Duerr in writing, the supply shall be stored at the Supplier’s premises at his own cost, risk and expense for up to three (3) months after the readiness of shipment has been notified to STF Balcke-Duerr pursuant to the Contract. In the event that STF Balcke-Duerr requests to Supplier an extension of the interim storage period, the Parties shall make

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a separate, mutually acceptable agreement concerning the terms, conditions and compensation for the Supplier.

### 6. PENALTY FOR DELAYED DELIVERY

6.1 Without prejudice for any other remedy granted by the Contract or by the law if Supplier fails to meet any delivery term and/or complete the services in due time, STF Balcke-Duerr shall be entitled to claim penalties of 1 % of the Price for each week or part of the week of delay up to a maximum of 10% of the Price. STF Balcke-Duerr's rights to claim damages exceeding the maximum penalty amount remain unaffected.

6.2 For the purpose of this provision, the defective and/or incomplete supply of materials and/ or document shall be treated as delayed delivery.

### 7. INVOICING AND PAYMENTS

7.1 Each invoice shall be anticipated by email with the relevant annexes, shall refer to one contract and indicate:

- Number and date of the Order;
- Position number of the Order;
- Number and date of the delivery notification or of the delivery note;
- Payment conditions agreed in the Order.

7.2 Supplier shall be authorized to issue the relevant invoices at the terms and conditions provided in the Order. The invoices not in compliance with the provisions of this section shall be rejected. Offset invoicing shall not be admitted or accepted.

7.3 STF Balcke-Duerr is entitled to offset receivables due to Supplier against all receivables also due to controlled and/or associated companies.

7.4 Supplier shall not be entitled to transfer or assign any of the credit rights arising from the Order without the STF Balcke-Duerr's prior written consent.

### 8. INSPECTIONS AND TESTS

8.1 In order to assess Supplier's work quality, conformance with the technical specifications and compliance with applicable laws and terms of the Contract, STF Balcke-Duerr shall be authorized to check, inspect and test all Supplier's activities in every phase of the execution, including the engineering, procurement and manufacturing, storage, loading and unloading at the Supplier's premises as well as at the Sub-Suppliers'/Sub-Contractors premises (or associated and/or partners). Exercise of this right to inspect, test, expedite shall in no way relieve Supplier of its obligations and liability for the conformity of the supply to the specification and all terms and conditions set forth in the contract.

8.2 If the Order or other Contractual Document provides for any specific tests, inspections and/or witness points to be completed during the execution of the Contract, the activities cannot be continued without the competent inspector's release or written waiver of test/inspection/witness point.

8.3 Supplier shall notify STF Balcke-Duerr in writing at least 8 (eight) calendar days prior to each of scheduled final test/inspection/witness point. Such final inspection/test as well as a failure to inspect/accept, reject of the supply or failure to detect defects by test/inspection/witness point or audit shall neither relieve Supplier from responsibility for such defects and non-conformities which are not expressly accepted by STF Balcke-Duerr. STF Balcke-Duerr shall be entitled to conditionally accept the

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supply. In this case Supplier shall be obliged to eliminate the defects and non conformities without delay and in the manner and at the conditions requested by STF Balcke-Duerr. Unless otherwise specified in the contract, the final inspections/tests shall include:

- material certificate test;
- visual test;
- dimension test;
- final certification test;
- issue of the FIC (Final Inspection Certificate).

8.4 Final acceptance shall occur only after commissioning/take over by the final customer of STF Balcke-Duerr.

8.5 If during the inspections/test or during commissioning/take over by the final customer, supply is found to be defective or otherwise not in conformity with the requirements of the Contract, STF Balcke-Duerr, in addition to any other rights, remedies and choice granted by the law and/or the Contract and in addition to seeking recovery of any and all penalties, damages and costs emanating therefrom, at its option and sole discretion and at Supplier's expenses may (a) require Supplier to take, without delay and at its own care, costs and expenses any actions as may be required to cure all defects and guarantee the supply's conformity to all requirements of the contract ("*make good*"); or (b) to take at the Supplier's costs and expenses such actions as may be required to cure all defects and/or bring the goods and/or services into conformity with all requirements of the Contract, (c) withhold total or partial payment, (d) reject and return all or any portion of the supply, and/or (e) terminate the Contract for default of Supplier. If the above remedies may be cumulative.

8.6 Without prejudice for the provisions above, if the Order provides that the supply is delivered in lots/order lines/tranches, STF Balcke-Duerr reserves the right to inspect/test the conformity of the lot/order line/tranche at the completion of delivery of the full supply. Payments of the single lot/order line/tranche shall be in no way imply the acceptance by STF Balcke-Duerr of the supply partially delivered.

8.7 Unless agreed otherwise in writing all costs and expenses for the completion of the inspections/tests contractually foreseen shall be considered as included in the Price.

## 9. TRANSFER OF TITLE AND CUSTODY

9.1 Unless otherwise agreed in writing Supplier shall be liable for any loss or damages and risks and title on the supply shall be transferred upon delivery of the supply according to the terms and conditions of the Contract.

## 10. TRANSPORT DOCUMENTATION

10.1 Each DDT (transport document), relating to each single order, shall include:

- Order number and relevant order name, for which the delivery is made;
- Order position number;
- Condition of the single position (as account or as settlement);
- Condition of the Order (if as settlement);

Envelope containing the relevant certification (if applicable).

## 11. WARRANTY

11.1 Supplier warrants that the supply shall be free from any defects that make the supply not

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conform to the any conditions of the Order, specifications, samples, drawings, designs, descriptions and other requirements provided or approved by the STF Balcke-Duerr or not suitable for the use and/or performances contractually foreseen.

11.2 The limitation period for defect claims is 24 (twenty-four) months from completed delivery in accordance with point 4.1 above. For newly supplied/performed or repaired parts, the period of limitation starts anew, insofar as the responsible party has not eliminated the defect expressly out of goodwill.

11.3 If the supply is found to be defective or otherwise not in conformity with the warranties herein during the warranty period, than STF Balcke-Duerr, in addition to any other rights, remedies and choices in may have by law and/or the Contract and in addition to seeking recovery of any and all damages and costs emanating therefrom, at its option and sole discretion and at Supplier's expenses shall be entitled to (a) require Supplier to inspect, remove, reinstall, ship and repair or replace/re-perform non conforming goods/services with goods/services that comply to all requirements of the Contract ("make good"); (b) take any actions as may be required to cure all defects and/or bring the goods and/or services into conformity with all requirements of the Contract, in which event all related costs and expenses (including but not limited to material, labor and handling costs) shall be for Supplier's exclusive account; (c) reject and return all or any portion of such goods/services and requires the restitution of the Price paid and/or (d) withhold payments. All the above remedies may be cumulative.

## 12. LABOR, ENVIRONMENT, HEALTH AND SAFETY

12.1 Supplier shall at all times perform the obligations under the Contract by means of appropriately qualified, instructed and equipped personnel. The Supplier shall at all times comply with all the provisions concerning the economical treatment, working time, insurance policy and health and safety applicable to the personnel utilized in relation to the Contract pursuant to the National labor collective agreement and all and any law, regulation and contractual provisions.

12.2 Supplier shall at all times comply with all obligations, duties and responsibility provided for by the provisions regarding health and security at workplace and the relevant Health, Safety and Environmental policies and procedures provided by STF Balcke-Duerr and/or the final client applicable at the site where the performance of the supply shall take place.

12.3 Failure by the Supplier to comply with the provision under this section 12 shall entitle STF Balcke-Duerr to terminate the Order for default.

## 13. CODE, STANDARDS AND PROCEDURE

13.1 Supplier is responsible to adhere and enforce all applicable standard, codes, regulations, specifications, instructions and procedures requested by STF Balcke-Duerr in relation with the completion of the supply. In the event of discrepancy between "codes, standards, regulations" and "specifications, instructions, procedures" provided by STF Balcke-Duerr, then codes, standard and regulations shall prevail. In any case, Supplier shall have to promptly drawn STF Balcke-Duerr's attention to such discrepancy. Changes in standards, codes, regulations etc implemented after the date of the Order shall, if such changes affect the supply, be notified to STF Balcke-Duerr, who thereupon shall decide on possible corrections of the supply.

13.2 Supplier undertakes to maintain a quality assurance system that complies with the latest standard for the STF Balcke-Duerr's industry field. Supplier warrants that any sub-suppliers or third parties engaged in the supply, or third parties' work, continuously and reliably, complies with latest standards.

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13.3 For supply within the EU, Supplier shall comply with Directive 89/362/EEC concerning the “EC Declaration of conformity” and the “Declaration on the putting into service of machinery”.

### 14. COUNTERFEIT

14.1 Supplier acknowledges and recognizes STF Balcke-Duerr’s utmost attention to mitigate the risk concerning the supply of counterfeited, fraudulent suspected items (“CFSI”). Supplier warrants and guarantees, for themselves and for any sub-supplier engaged in the supply, that any number, code, register, standard or other referred to the supply is true, authentic and correct. Without prejudice for any indemnification rights, STF Balcke-Duerr reserves the right to reject any part of the supply suspected to be counterfeited or fraudulent.

### 15. CHANGES

15.1 STF Balcke-Duerr shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation without the Supplier’s automatic right to increase of the Price and/or postponement of the delivery dates. Save the obligation of Supplier to complete the supply without delays or suspensions, Supplier shall notify the Purchaser within five (5) days if any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be agreed upon and the Contract shall be modified in writing accordingly. If no notification is made by the Supplier within the above term, the changes requested by the Purchaser shall be considered definitely accepted with no right for the Supplier to claim adjustment of the prices and time of deliveries.

### 16. PATENTS AND INDUSTRIAL PROPERTY

16.1 Supplier warrants to have full title on the intellectual properties related to the supply. The Supplier shall indemnify STF Balcke-Duerr against all costs, claims, losses, expenses and damages incurred or for which it may be liable due or arising directly or indirectly out of any infringement or alleged infringement of patents, trademarks, copyright, design right or other intellectual property right occasioned by the supply with the sole exception when the infringement originated from the instructions, designs and/or specifications expressly provided by STF Balcke-Duerr.

### 17. SUB- SUPPLIERS AND ASSIGNMENT

17.1 Supplier may not assign the supply to sub-contractors or sub-suppliers not entirely nor in part without STF Balcke-Duerr’s prior consent. Any assignment of the Contract to a sub-supplier without STF Balcke-Duerr’s written consent shall not be effective *vis-a-vis* the STF Balcke-Duerr. Should STF Balcke-Duerr approve of any such sub-suppliers or assignments, however, this shall not release Supplier from any of his contractual obligations or duties under this Contract and Supplier shall be held fully liable for the works/services of any of the sub-suppliers or the third parties engaged by Supplier.

17.2 Supplier shall be liable to duly make all payments to its sub-suppliers. If Supplier fails to timely pay a sub-supplier STF Balcke-Duerr shall have the faculty, but not the obligation, to pay the sub-supplier and offset any amount due to Supplier by any amount paid to the sub-supplier. Supplier shall defend, indemnify and hold STF Balcke-Duerr harmless for all damages and costs of any kind, without limitation, incurred by STF Balcke-Duerr and caused by Supplier’s failure of its obligation *vis-à-vis* the sub-contractors.

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### 18. SUSPENSION

18.1 STF Balcke-Duerr - in its own unquestionable judgment and for whatever reason and in writing – may request the Supplier to suspend execution of the supply entirely or in part. Suspension shall be effective from the day the order of suspension is received by Supplier or the different date indicated thereon. Supplier shall, from that day, take all action necessary pursuant to the best diligence and the correct technical procedure for the safe custody and maintenance of the part of supply already executed and, within 20 (twenty) days agree upon the procedures to store goods for the assumed duration of the suspension.

18.2 Without prejudice for the right to obtain an extension of the delivery dates, Supplier shall be entitled to reimbursement of the documented expenses incurred due to the suspension only. In no case, the Supplier shall be authorized to claim for compensation for loss or prospective profits or damages caused by such suspension or withdrawals of suspension.

### 19. TERMINATION AND WITHDRAWAL

19.1 STF Balcke-Duerr reserves the right, at any time and for any reason, to withdraw from the whole contract or parts thereof by giving prior notice of 7 (seven) days. STF Balcke-Duerr shall be obliged to pay the Supplier for all activities regularly completed and accepted through the effective date of withdrawal. If not otherwise agreed in writing, Supplier shall not be obliged to any further indemnification.

19.2 Without prejudice for the reimbursement of all the damages suffered and any other remedy foreseen hereto or by the law, STF Balcke-Duerr shall be entitled to immediately terminate the contract upon occurrence of each one of the following circumstance (i) Supplier does not meet the contractual deadlines; (ii) in STF Balcke-Duerr's reasonable judgment the Supplier is proceeding in the execution of the Contract so as to jeopardize the timely and duly completion of the supply in accordance with its terms; (iii) due to the accrued delay the payable penalties exceed the agreed maximum cap; (iv) Supplier fails to comply with any of the terms and conditions of the Contract; (v) any proceeding under bankruptcy or insolvency law is brought by or against Supplier or Supplier is insolvent towards its creditors. Termination shall become effective if Supplier does not cure such failure within 10 (ten) calendar days from receiving the notice of default.

19.3 In case of termination for any cause, Supplier (i) shall immediately stop all work thereunder and shall immediately cause any of its suppliers or subcontractors to cease their work; (ii) place no further subcontractors or purchase orders for materials, services or facilities hereunder, except as necessary to complete any continued portion of the Order; (iii) terminate all subcontracts entered into in relation with the execution of the Contract and (iv) deliver to the STF Balcke-Duerr all completed work, work in progress, including all designs, drawings, specifications and other documents produced or required in relation with the execution of the Contract. STF Balcke-Duerr has the right to acquire material and/or semi-finished products including any special equipment on reasonable terms and conditions.

### 20. FORCE MAJEURE

20.1 Any delay or failure in the performance by either party hereunder shall be excused if and to the extent caused by the occurrence of a force majeure. For purposes of this section, Force Majeure shall mean a cause or event that is not reasonably foreseeable, avoidable, irresistible and beyond the control of the parties. For the purpose of this clause, the event of force majeure shall include but not limited to:

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- Local or company labor strikes;
- stop of the activities ordered by governmental authorities due to breach of safety rules;
- delays in procurements of raw materials;
- delays and failure in the performance by the sub-contractors.

20.2 Upon occurrence of a force majeure cause, the Contract shall be suspended without any rights to be indemnified by either party. The Parties shall be obliged to collaborate to limit the consequences of the force majeure event.

20.3 The force majeure event shall have to be promptly communicated in writing, not later than within 3 days. The party affected by the force majeure shall have to provide the other party with all the information concerning the foreseeable duration of the suspension. The Parties shall agree in writing on the duration of the suspension that shall be subject to the provisions of article 18 above.

### 21. INDEMNITY AND INSURANCE

21.1 Supplier shall defend, indemnify, release and hold harmless STF Balcke-Duerr, its directors, officers, employees and representatives, whether acting in the course of their employment or otherwise, against any and all suits, actions or proceedings and from any and all claims, demands, losses, judgments, fines, damages, costs, expenses or liabilities (including without limitation claims for personal injury or property or environmental damage, claims or damages payable to Final Client, attorney's fees) arising from any act or omission of Supplier and/or its subcontractors, except to the extent attributable to the negligence of STF Balcke-Duerr.

### 22. CONFIDENTIALITY

22.1 Supplier undertake for themselves, their subcontractors, sub-suppliers, collaborators and employees to keep strictly confidential all the proprietary information of STF Balcke-Duerr and/of the affiliate companies provided or to which access was provided in relation with the execution of the supply (including but not limited to designs, projects, specifications, datas, assets or other information).

22.2 Supplier shall not divulgate any information concerning the existence of the content of the Contract (or any part thereof) or related documents nor use the name, trademark, photos or any other reference to the STF Balcke-Duerr or the STF Balcke-Duerr affiliate in any commercial advertisement, marketing initiative or other publication whatsoever without the previous written authorization of the STF Balcke-Duerr.

### 23. APPLICABLE LAW AND LEGAL VENUE

23.1 The Contract, and the rights and obligations of the Parties hereunder, shall be governed by, construed and interpreted exclusively in accordance with the laws of the Republic of Italy.

23.2 All disputes arising out of or in connection with the Contract shall be subject to the exclusive Italian jurisdiction and shall be submitted to the exclusive competence of the Courts of Milan (Italy).

### 24. CODE OF ETHICS

24.1 When conducting its business and managing relations with third parties (including but not limited to clients, suppliers, employees, collaborators, public administrations, administrative Authorities, monitoring bodies, etc.), STF Balcke-Duerr the Code of Ethics available on <http://www.balcke->

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[duerr.com/about/locations/europe/](http://duerr.com/about/locations/europe/). With the signing of this contract, the Supplier states of having read and share the principles and the content of them.

24.2 It is expressly agreed that if the Supplier fails to comply with any of the provision of the Code of Ethics or put in place any behavior that may also potentially represent one of the offences provided by the Legislative Decree no. 231/2001 , the STF Balcke-Duerr has the right to ask for damage compensation, without any limitation, including the possibility to terminate this Contract, without any notification.