

1. General

1.1. The following "General Terms and Conditions of Purchase" ("GTCP") shall apply to any purchase order placed by voestalpine Böhler Welding Arc Technology S.r.l. (hereinafter referred to also as the "**Customer**") upon its supplier or vendor (hereinafter referred to as the "**Vendor**") as from the execution of the same GTCP, and shall form integral and substantial part of such purchase orders (unless differently specified by the Customer in writing therein) even in case they are not mentioned in the same purchase order. Only orders placed by Customer in writing and using Customer's signed company order forms, shall be binding; the same requirement shall apply to orders which are based on previous orders and to changes to orders already placed. Electronic signatures shall serve as a valid legal substitution of signatures given by hand. In the case of prolonged contractual relationships (limited or unlimited continuous obligations) applicability of the GTCP shall also extend to future contractual relationships with the relevant Vendor unless differently stated in writing by the Customer.

1.2. Submitted order has to be confirmed in written form by the Vendor, without necessity of comprising the submitted order's text, within 7 (seven) calendar days as of its receipt. Upon expiry of such term, the order shall be considered as ineffective. Until receipt of the written order confirmation, Customer's original submitted order remains freely revocable by Customer without cause at all times.

Additions/amendments and/or deviations of Customer original order text (including in terms of technical and/or commercial aspects) must be marked and addressed unambiguously by the Vendor (and if not marked and addresses unambiguously shall be considered as not made and therefore not effective, unless expressly approved in writing by Customer) and shall be legally effective only when approved by Customer in written form.

Upon receipt by the Customer of the order confirmation according to the first paragraph of this point 1.2 or upon receipt by the Vendor of the Customer's acceptance of a late order confirmation or of the additions/amendments and/or deviations made by the Vendor according to the second paragraph of this point 1.2, the contract shall be considered as perfected (the "**Contract**").

Vendor's terms and conditions of sale shall not apply to any Contract, their mention in the confirmation of order shall not have any effect whatsoever and the Contract shall be deemed as concluded according to the Customer's purchase order.

1.3. No remuneration shall be paid for cost estimates/cost evaluation/quotation, plans and suchlike.

1.4. Where reasonable, Customer is entitled to change the request of deliverables in terms of construction and performance.

2. Delivery

2.1. Unless not otherwise provided in the Contract, delivery shall be effected according to DDP Incoterms® applicable from time to time at the lump sum indicated in the Contract and during normal business hours.

3. Delivery Delays

3.1. Delivery lead times shall start from the date of the Customer written purchase order. If the order is not delivered by that deadline, the Customer has the right to receive compensation for the damages suffered due to such delay. In addition, in case the order or part thereof is not delivered within the following terms, the Customer shall have both the subsequent rights, to be considered as not alternative:

- if the order or part thereof is not delivered within 30 days as from the expiration of the delivery term, the Customer has the right to receive, as liquidated damages for the delay, an amount equal to the 50% of the purchase price of all the products under the order, without prejudice to the right to compensation of any further damages;
- if the order or part thereof is not delivered within 14 days as from the expiration of the delivery term, the Customer shall have the faculty to terminate the Contract according to article 1456 of the Italian Civil Code.

Delivery lead times shall only be construed as satisfied (and therefore the order is considered as "delivered") once within such delivery lead times all the products object of the order to be delivered within such delivery lead times have been delivered and all the contractual and legal obligations have been fulfilled (and therefore, e.g., the necessary documentation concerning the products - e.g. technical test documentation - has also been delivered).

In case of early delivery, Customer shall be entitled to store the products at Vendor's expense. Vendor shall hold Customer harmless and shall indemnify Customer for all costs and losses caused to Customer by the early delivery. Without prejudice to the above, if the early delivery is accepted, the Vendor shall not have the right to any increase of the purchase price, which means that the price shall remain due on the basis of the agreed delivery lead time.

3.2. Vendor must provide a notice to Customer of any anticipated delays in deliveries or part deliveries immediately in writing, stating the reasons and expected length of the delay. If Customer do not exercise Customer rights in accordance with the previous clause, Customer may set a time period within which the Vendor shall complete the delivery. If that time period expires to no effect, Customer may cancel the Contract for the entire

delivery or for the outstanding part thereof and purchase the products from a third party at Vendor's expense, without prejudice to the right of Customer to the compensation of any further damage suffered.

4. Transport

4.1. Deliveries shall be made in accordance with Customer's transport instructions. If Vendor dispatches deliveries contrary to Customer's transport instructions and without Customer's express written consent, it shall be liable for any losses sustained by Customer as a result, including loss of earnings. Vendor shall notify Customer of delivery in writing well before products arrive on Customer's premises. Where no transport instructions are given, Vendor shall select the cheapest method of delivery that ensures products arrive safe and on time.

4.2. Products returned by Customer to the Vendor shall be sent on Vendor's account and at Vendor's risks. Vendor shall contract adequate transport insurance at its own expense.

4.3. Delivery notices and packaging lists must be sent to Customer prior to delivery and must quote Customer's order number.

4.4. Unless agreed otherwise, products must be packaged in the standard commercial form according to the best practice or at least adequately packaged and protected against all forms of damage. Any labelling requirements notified by Customer must be applied as described. Vendor's packaging materials shall be taken back by the same Vendor free of charge for the Customer as soon as possible after delivery has been effected.

4.5. Products valued over 250,- (two hundred fifty) Euros which are purchased by Customer by open account shall be handed over by the Vendor to the person that picks up the delivery in Customer's name only previous verification by the Vendor of the identity of the person by telephone confirmation of Customer's materials management department.

4.6. Products shall be delivered COD (cash on delivery) only by express agreement and in any case within the limits for payments by cash provided by the applicable legislation in force from time to time.

5. Payment

5.1. Customer shall effect payment following receipt of a verifiable invoice and due delivery/service. Unless agreed otherwise, payment shall be made subject to 3 % (three per cent) discount within 30 (thirty) days of receipt by Customer of products and invoice, subject to 2 % (two per cent) discount within 45 (forty-five) days, or net within 90 (ninety) days.

5.2. Customer shall require a single copy of invoices, except for consignments sent abroad, for which a duplicate invoice must be supplied. Invoices must quote the number and date of the order and delivery schedule, any additional data, unloading site, number and date of delivery note(s) and quantity of products. These shall be issued according to any and all the Laws - also fiscal Law - applicable to Customer and Vendor.

5.3. Customer shall be entitled to offset all manner of accounts receivable by and/or payable to the Vendor, including accounts owed to/payable by Customer's affiliates.

5.4. Vendor shall only be entitled to assign its rights or obligations under the Contract subject to Customer's prior expressed written consent. The transfer must quote the order number and invoice number.

5.5. Non-conformities and Defects of the products or services shall entitle Customer to withhold payment.

6. Passing of risk and transfer of title

6.1. The risk shall, in principle, pass according to the agreed Incoterms® clause, applicable from time to time.

6.2. Unless otherwise agreed in writing, title to the products under the Contract and to anything delivered by the Vendor (including Product information documents, manuals any other document, including transfer of the relevant rights to use the same) shall pass simultaneously with the risk or, if payment by installments relating to a specific part of the deliveries has been agreed, with respect to the part of the deliveries concerned in no case later than upon payment (including by setoff, where applicable) of the installment agreed for that part and provided that the payment date is before the date the risk will pass according to the agreed Incoterms® clause, otherwise the first part of this paragraph shall apply.

7. Warranty, IP rights, Spare parts, Title on products

7.1. Vendor warrants that its deliveries will be provided as agreed in the Contract, will function, will be compliant with any applicable law and safety standards, will be accompanied by any necessary documentation (including safety documentation) and will be free from defects in quality of any kind and will have the usually expected and the specifically agreed properties and characteristics. In addition, deliveries must be fit for the intended purpose, comply with Customer's specifications, be the state of the art and be in line with current statutory requirements, relevant standards and requirements, also of the authorities and professional associations, and must correctly function.

Any defects, malfunctioning, lack of quality or lack of characteristics and in any case any non compliance of the deliveries with the provisions of this paragraph 7.1 are referred in these GTCP as "**Defect**" and the deliveries affected by the Defect, the "**Defective Products**".

7.2. Unless agreed otherwise in the Contract, the "Warranty Period" is expressly agreed by the parties to be 3 (three) years from commissioning or commencement of use of the deliveries, by the Customer or by its clients.

- The Warranty Period shall start new upon replacement deliveries or repairs and shall start from commissioning or commencement of use by Customer or by its clients of the replaced or repaired product.
- 7.3. In case of any Defect that are revealed or emerge during the Warranty Period, and provided that notice thereof is given to the Vendor within the same Warranty Period, the Vendor undertakes at its own expense (including transport and shipping costs), to:
- eliminate the Defect by repairing the products (repairing to be carried out by the Vendor or by third parties at the Customer's discretion), or, if repair is not reasonably possible in the Customer's opinion, by replacing the products; and
 - indemnify the Customer against any cost, damage or prejudice resulting from the Defect. Article 8 below shall apply.
- 7.4. If Vendor fails to remedy Defects or replace products within the deadline that the Customer has the faculty to set by written notice to the Vendor, Customer shall be in any case entitled to remedy Defects directly or through third parties or to purchase substitutive products from third parties at Vendor's expenses (the expenses borne by Customer at such regard shall be refunded to the Customer immediately upon request). Furthermore, Customer can terminate according to article 1456 of the Italian Civil Code the Contract and any other Contract to which the Vendor has not given execution yet, and furthermore can suspend any payment due to the Vendor until full performance of its obligations.
- 7.5. The Vendor acknowledges that the warranty and the relevant remedies under article 7.1 – 7.4 above, represent a contractual and conventional remedy that is independent and not subject to the discipline of the Italian Civil Code concerning the guarantees and warranties of the seller. They have as exclusive ground these GTCP and they are agreed upon in addition to, and not in substitution of, any obligation under the law. Therefore, the provisions above do not hinder the rights of the Customer under article 1490 and following of the Italian Civil Code nor under any other provision of Laws or of these GTCP, that all will remain fully applicable, with the specification under the following paragraph.
- 7.6. Vendor hereby waives objection of any late notification of Defects, under any provision of contract or of Law whatsoever. Therefore, notification of Defects shall be deemed to have been given in due time if given within the Warranty Period, or, if made in relation to the statutory warranty, within the applicable statute of limitation period provided by the applicable Law.
- 7.7. Vendor warrants that products can be purchased, used and marketed by Customer and its clients without infringing any third party industrial and other property rights, especially trademark, design, patent and copyrights, and without infringing advertising laws. Vendor agrees to defend all such third party claims at its expense and to reimburse Customer for any related costs, and to hold Customer harmless and indemnify Customer in this respect.
- 7.8. Vendor undertakes to manufacture spare parts for products delivered for at least 15 (fifteen) years after the date of the relevant Contract. Vendor must in any case submit a notice to Customer in writing if production of spare parts ceases. Customer shall be entitled, following such notice, to demand and obtain a delivery of spare parts for stock purposes.
- 7.9. Vendor warrants that at the moment of the transfer to Customer of the risk – or of the title, if transfer of title occurs before the transfer of risk – over the deliveries under the Contract, Vendor shall be the owner of such deliveries and shall have full title and right to sell and deliver them to the Customer, that will acquire therefore full title upon them.
- 7.10. The acceptance or approval by Customer of drawings or designs submitted by the Vendor shall not be construed as waiver of any of Customer's rights.
- 8. Damages – Other rights**
- 8.1. The Vendor shall be liable according to statutory provisions (including any applicable product liability provisions) and to the conventional guarantee above, for direct and indirect damage (including image damages and damages for loss of profits and loss of chances) caused by Vendor (or persons attributable thereto) or by Defective Products under any Contract.
- 8.2. Vendor shall provide Customer with all information required in order to supply a defect-free and safe product (e.g. operating instructions, warnings, approval specifications etc.). Should circumstances subsequently come to Customer's attention that might substantiate a product Defect (including a product to be not secure), Vendor shall notify Customer of any such observations immediately, hold Customer harmless and indemnify Customer against all third party claims and reimburse all costs incurred in calling in Defective Products. Where products are called in, Vendor shall be liable to refund any purchase price already paid, plus Customer loss of earnings and any other costs incurred by Customer by reason of the unavailability of the products ordered.
- 8.3. No limitations of liability are agreed and Customer shall not recognize any manner of limitations in Vendor's favor under any applicable law in relation to obligations or liability of the Vendor or rights vested in Customer under any law or other provisions and the Vendor waives any rights in connection thereto.
- 8.4. If Customer's customers enforce claims against Customer for Defects of products, Vendor shall hold Customer harmless and indemnify Customer completely and pay any applicable damages.
- 8.5. Without prejudice to other rights or remedies Customer may have under the Contract or any other legal grounds and to the greatest extent permitted by the Applicable Law, Vendor shall indemnify Customer (also in relation to damages suffered by its clients for which Customer is or can be held responsible) against any liability, loss, expense, costs (including attorneys' fees or other legal costs, costs for technical consultants, costs for recalls and costs for its own employees), damage or injury in consequence of (i) any Defective Products or (ii) any breach by the Vendor or its suppliers or subcontractors of the Contract (including any late delivery of products or performance of the Services), or (iii) any negligence, willful default or wrongful act or omission of the Vendor or its suppliers or subcontractors.
- 8.6. In case Customer is required by the applicable Law to pay any amount to the employees of Vendor or of its subcontractors, or to any Authority in relation to such employees, Customer shall have the right to pay such amounts and to immediately receive the relevant reimbursement from Vendor. Customer shall also be entitled to offset the receivable against the Vendor for such reimbursement with any existing or future debt it may have towards the Vendor.
- 9. Subcontractors**
- 9.1. Customer must be given written notice of any sub-contractors used by Vendor; however, such notice is not be construed as establishing any legal or business relations between Customer and sub-contractors. Customer shall be entitled without stating reasons to require that Vendor refrain from using sub-contractors whether named by Customer or not. Vendor shall be liable for the choice of and any fault on the part of its sub-contractors.
- 9.2. Vendor shall be liable both for his sub-contractors and his suppliers as for himself, independent of the relevant influence on the provision of deliveries.
- 10. Quality and environmental management; REACH; RoHS 2; Conflict Minerals**
- 10.1. Vendor shall apply the quality principles and environmental management principles of the relevant standards ISO 9001, ISO TS 16949 (relevant to automobile-relevant upstream suppliers) and/or ISO 14001 or EMAS in providing his deliveries.
- Vendor shall ensure in an appropriate manner that the said obligations will also be complied with at the level of his agents/upstream suppliers and subcontractors. Vendor shall also comply with, in any case, the regulations of the Customer's QSE policy applicable at the time of conclusion of the Contract and the regulations on REACH/RoHS 2/Conflict Minerals that may be retrieved from the following internet addresses: <http://www.voestalpine.com/group/en/group/environment/reach> <http://www.voestalpine.com/group/en/group/environment/rohs> <http://www.voestalpine.com/group/en/group/environment/conflictminerals>
- 10.2. The criteria of energy efficiency and greenhouse gas efficiency will also be taken into account in the process of procuring energy-related products. Upon Customer's request Vendor shall provide additional data, such as information on consumption, the product life cycle (Life Cycle Assessment LCA) and relevant classifications according to efficiency classes.
- 11. Force majeure**
- 11.1. The Parties shall be released from the duty of timely performance of the Contract in whole or in part if such performance is prevented by events of force majeure.
- However, a Vendor whose performance is hindered by an event of force majeure may claim force majeure and the consequent remedies of Law only if he informs Customer about the start and the expected end of the disruption immediately and not later than 5 (five) calendar days after the event occurred.
- 12. Rights of the Customer to rescind/dissolve/terminate the Contract**
- 12.1. Apart from the rights of termination or withdrawal explicitly resulting from these GTCP, Customer expressly reserve all rights to rescind or dissolve any Contract and any contract/relationship that might be considered as arisen or in any case in force or to which Customer may be entitled by law or contract in connection with specific transactions or continuous supply relationships with the Vendor, with a reasonable prior written notice that the parties agree to be not longer than 3 months.
- 12.2. In addition, Customer shall, in particular, be entitled to dissolve/terminate existing Contracts with the Vendor for important reason (cause) according to article 1456 of the Italian Civil Code without prior notice or meeting formal requirements (notice of default, granting of a grace period, etc.) and with immediate effect, without prejudice to the right to the compensation of the damages.
- 12.3. Important reasons (cause) include, but are not limited to, delays in any delivery of the products under a Contract of more than 30 days (which will give reason to the Customer for termination of the affected Contract and of any other Contract in force), breach of any provisions under article 10.1 above, Defects on the 10% of the products under any delivery under a Contract, situations where the Vendor violates material (in particular contractual) obligations, reorganization or insolvency proceedings or proceedings having similar effects are petitioned for or opened over the Vendor's assets or a petition for the opening of such proceedings is dismissed for lack of sufficient assets, in the case of a material change in the Vendor's corporate structure due to which it is unacceptable for

Customer to adhere to the relevant Contract for understandable reasons (e.g. an imminent loss of or harm to reputation or image) or in the case of violations of compliance regulations of these GTC.

- 12.4. In the case of Customer's rescission/termination or dissolution of the Contract, Customer shall be entitled to all statutory and additional contractually agreed rights and claims against the Vendor. In addition, the Vendor shall indemnify and hold Customer harmless in the case of a justified rescission or dissolution of the Contract by the Vendor.

13. Compliance; Code of Conduct

- 13.1. The principles and guidelines for sustainable, ethical/moral and legally unobjectionable business conduct defined in the "Code of Conduct of voestalpine AG" and the related "Code of Conduct for voestalpine Business Partners" as amended from time to time may be retrieved from the internet address <http://www.voestalpine.com/group/en/group/compliance> and are expressly acknowledged and accepted by the Vendor who shall comply therewith.
- 13.2. Vendor shall ensure in an appropriate manner that compliance with those principles and guidelines is warranted also by his suppliers/major sub-contractors.
- 13.3. Vendor reserves the right to check compliance with the Codes of Conduct upon prior notice, including on the Vendor's premises, to a reasonable extent and safeguarding the Vendor's legitimate interests.

14. Confidentiality and Advertising

- 14.1. Vendor undertakes to treat all data and information obtained during the course of business with Customer as business secrets. For the sake of clarity, this obligation shall extend to Vendor's employees and sub-contractors – and the Vendor shall be liable for their conduct – and shall apply even after termination of such business.
- 14.2. Drawings, models, templates, designs and suchlike shall remain Customer's property and shall not be divulged or otherwise made accessible to unauthorized third parties. Such items may only be reproduced to the extent needed in order to process the order.
- 14.3. Vendor shall only advertise that Customer is his customer with Customer's prior written approval.

15. Place of Performance, Place of Jurisdiction, Applicable Law

- 15.1. The place of performance shall be the delivery address of the Customer or if explicitly agreed otherwise in written within the Contract.
- 15.2. Padova (IT) shall be the sole place of jurisdiction and therefore for any and all the claims concerning these GTPC and/or any order/confirmation or Contract thereunder, their interpretation or performance, the Courts of Padova shall be exclusively competent; however, as a derogation of the above, Customer may also sue Vendor in relation thereto before courts with jurisdiction upon the place of the Vendor's registered office.
- 15.3. Italian law shall apply to these GTPC and/or any order or Contract thereunder. Application of the UN Convention on Contracts for the International Sale of Goods (CISG) and the conflict of law rules are hereby excluded.

16. Miscellaneous

- 16.1. If individual terms herein are invalid, the remaining terms shall still be binding. The invalid or unenforceable provision shall be deemed to be replaced with such legally permissible provision which comes as close as possible to the economic purpose of the invalid or unenforceable provision.
- 16.2. Amendments to orders must be made in writing. Verbal agreements shall be null and void.