

# GENERAL CONDITIONS OF PURCHASE



## VULKAN ITALIA SRL

Via dell'Agricoltura 2 | 15067 Novi Ligure | Italia

### §1 APPLICATION

These general conditions govern the purchase contracts (whether they are stipulated by means of placing orders, accepting offers or signing texts having contractual value) entered into by VULKAN ITALIA with the SUPPLIER. Any modification and/or addendum, as well as any condition of sale provided for by the SUPPLIER that results different from (and/or incompatible with) these general conditions of purchase, shall be valid only upon specific acceptance in writing by VULKAN ITALIA.

### §2 ORDER AND ORDER ACCEPTANCE

The SUPPLIER is responsible for the perfect compliance of the object of the order with what is described in the technical annexes, specifications and drawings. Any changes or such technical annexes must be made in writing. Any verbal agreement, during or after the negotiations, is subject to written confirmation. Quotations are binding and shall not entail remuneration. The SUPPLIER shall return its order confirmation to VULKAN ITALIA no later than five days from the date of the order. Failing receipt of the order confirmation, VULKAN ITALIA shall have the right to cancel the order and/or consider it invalid.

### §3 PRICES

Prices, agreed between the parties, are fixed and invariable and shall be understood as including all activities that may be needed to carry out the order, such as study costs, work cycles, constructions, non-destructive tests and functional tests, unless otherwise agreed in writing, expressed on a case by case basis. Additional costs shall only be recognised by VULKAN ITALIA if they have been approved in advance by VULKAN ITALIA in writing.

### §4 TERMS OF PAYMENT

Payment terms shall be those indicated in the purchase order or purchase agreement. Compliance with the aforementioned payment terms by VULKAN ITALIA is subordinate to the compliance by the SUPPLIER with what has been laid down in the art. 2 above „Order and order acceptance“.

### §5 TRANSFER OF CREDIT

The credit of the SUPPLIER, deriving from the order, cannot be objected of partial or total transfer to third parties, of mandate for collection or delegation under any form. VULKAN ITALIA reserves the right to reject the notification of the transfer, not to recognise the validity of the mandate for collection and not to give consent to the delegation of payment, as well as to ask the SUPPLIER to compensate the damages suffered for the non-observance of this agreement.

### §6 CHANGES TO THE ORDER

During the performance of the subject matter of the order, VULKAN ITALIA can ask in writing to the SUPPLIER to make changes to what is foreseen in the order. If the SUPPLIER considers that such changes could prejudice the fulfilment of its contractual obligations or that they could determine variations in the order price, it must send written notice to VULKAN ITALIA so that the Parties can reach an agreement before the SUPPLIER proceeds to the execution of the requested changes. In any case, the execution of the portions of the order not object of the modification request shall not be delayed or suspended. Any modification that the SUPPLIER intends to make to the subject matter of the order must be previously approved in writing by VULKAN ITALIA and cannot be executed before the SUPPLIER has received such authorisation.

### §7 WORK PROGRESS

The Supplier is obliged to send to VULKAN ITALIA, for each item contained in the order, a work progress report every three weeks, without explicit invitation to do so from VULKAN ITALIA. From this report, it must be possible to detect the work progress status of the order in percentage terms. VULKAN ITALIA will receive the first report from the SUPPLIER one week after the issue of the order. Any postponements of the terms of delivery or of execution of the service object of the order must be notified by the SUPPLIER to VULKAN ITALIA promptly.

### §8 EXECUTION OF WORKS

The SUPPLIER must guarantee that the materials, used according to the information contained in the material lists and drawings, are free from defects and made to measure, where applicable. The SUPPLIER shall ensure that the production and/or processing of the individual parts will take place in an absolutely correct and accurate manner, according to the agreements between the parties and the agreed technical specifications and in compliance with the applicable standards.

### §9 SUBCONTRACTING

Any form of subcontracting by the SUPPLIER is forbidden except with the written consent of VULKAN ITALIA.

### §10 DELIVERY TERMS AND WARRANTY

The SUPPLIER will carry out the delivery of subject matter of the order, in the manner provided for in art. 11 „Transport and Return“ below, within the agreed dates. The SUPPLIER must take appropriate measures, both in terms of authorised personnel and organisation, to create the conditions for the observance of the agreed delivery term. Should unforeseen events occur that may have the effect of delaying the preparation, assembly or performance of the service covered by the order, the SUPPLIER must avail himself of all possibilities of human and technical resources to avoid the delivery or the performance of the service being delayed. The SUPPLIER shall allow both VULKAN ITALIA and any tester/inspector of the END CUSTOMER of VULKAN ITALIA to carry out, at any time, checks and inspections at its premises aimed at the control of the acts preceding the fulfilment of the order and at the compliance with the deadline by adequate specialised personnel. The same shall apply to inspections at the SUPPLIER's sub-suppliers. In the event of delays and changes to the delivery term, VULKAN ITALIA reserves the right to adapt the dispatch provisions to the current situation. Any additional costs, including those for inspection visits by VULKAN ITALIA personnel, that should be attributable to the SUPPLIER, will be charged to the latter. In case the delivery term agreed for this order should be postponed upon request by VULKAN ITALIA, the SUPPLIER declares as of now that he is available to provide for the free storage of the goods on behalf of VULKAN ITALIA up to a maximum of six months. For any further transitional storage period, a separate agreement will be drawn up between the Parties.

### §11 TRANSPORT AND RETURN

Unless otherwise agreed, the goods are to be considered as delivered DDP (Delivered Duty Paid - Incoterms 2020) ex our plant and under the full responsibility of the Supplier. The cost of packaging will be included in the total price of the order.

### §12 DELIVERY AND ACCEPTANCE

The place of delivery is the place where the goods or services are to be delivered or rendered in accordance with the order or the contract. Deliveries different from the specifications indicated in the contract or order require the prior written consent of VULKAN ITALIA. Agreed dates and terms are peremptory, essential and binding. The receipt of goods or services is for VULKAN ITALIA a decisive factor for the confirmation of the respect of the delivery term or date. The SUPPLIER shall notify VULKAN ITALIA of any delay known to him concerning the order, indicating the expected extent of the delay, its reasons and corrective steps. The unconditional acceptance of a late delivery of goods or supply of services does not imply waiver of any claim for damages for delay in performance. Partial deliveries or partial deliveries are usually not permitted, except with the prior written consent of VULKAN ITALIA. VULKAN ITALIA reserves the right to carry out inspections with its own personnel at the Supplier's premises and/or warehouse concerning the subject matter of the order or contract. Preliminary acceptance of what is supplied will be the signing of the delivery document. Final acceptance is subordinate to what is foreseen in the technical specifications referred to in the order, to compliance with the quality requirements and the tests foreseen therein and to an inspection at the VULKAN ITALIA plant or at the destination indicated in the order or contract. Final acceptance of the material will take place within thirty working days from the date of delivery of the material itself, provided that the completeness of the documentation relating to processing, testing, trials or anything else requested in the order or in the technical annexes has already been ascertained. Everything that the SUPPLIER supplies will be presumed to comply with the requirements specified in the order. The SUPPLIER undertakes, at its own expense, to carry out any corrective actions that may be necessary to eliminate any inconveniences found during final acceptance. This clause shall not have the effect of limiting the statutory warranties of the thing sold (with regard to both hidden and obvious defects) or the services rendered.

### §13 PENALTY FOR LATE DELIVERY

In case of delivery delays, VULKAN ITALIA is entitled to apply to the SUPPLIER a penalty for the damage suffered. Such penalty shall be equal to one percentage point on the total amount of the order net of VAT for each week of delay (or fraction thereof), up to a maximum of ten percentage points. Without prejudice to the application of the penalty, beyond this term, VULKAN ITALIA will be entitled to request higher compensation provided that it is always related to the actual damage suffered. The delay in fulfilment will include

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every aspect of the order, including the non-delivery or incorrect delivery of the product documentation that is the subject matter of the order. The penalty is also applied in case of defective fulfilment, i.e. in the case in which the products or relative documentation have been delivered within the agreed date but VULKAN ITALIA considers them not in conformity with the order or the contract for reasons attributable to the SUPPLIER.

### §14 FORCE MAJEURE

In case of force majeure, labour disputes, interruptions of activities beyond VULKAN ITALIA's control, riots, governmental measures and other unavoidable events, without prejudice to any other right of VULKAN ITALIA, VULKAN ITALIA will have the right to withdraw in whole or in part from the purchase agreement if such events make the performance by the SUPPLIER unacceptable to VULKAN ITALIA.

### §15 DOCUMENTATION

The SUPPLIER must deliver to VULKAN ITALIA all the documentation in the copies and in the form requested by VULKAN ITALIA as per order. In the absence of technical purchase specifications, the SUPPLIER must deliver the documentation in the form and copies requested by VULKAN ITALIA which, by way of summary, but not exhaustive, can be summarised as follows:

- Control/test/test certificates
- Technical drawings, if any
- Operating and test reports (operation reports)
- Operating and maintenance instructions
- Instructions for assembly/catalogues/documentation

Any drawings for approval by VULKAN ITALIA and final drawings must be delivered by the SUPPLIER in the requested formats. The total price of the above-mentioned documentation is included in the total order price. The materials supplied must always be accompanied by Transport Documents drawn up in compliance with the laws in force and valid for tax purposes. VULKAN ITALIA reserves the right to reject the goods at the SUPPLIER's expense if the documents do not contain all the above-mentioned data or contain them in a partial and/or incorrect way. The SUPPLIERS of raw materials shall deliver the Certificate of Conformity of the materials. SUPPLIERS performing treatments shall provide a certificate of treatment of the parts. The SUPPLIERS that carry out processing according to drawing must deliver a technical report indicating for each size, subject to leeway, the minimum and maximum value actually realised and the evidence of the dimensional controls (quality protocol).

### §16 TRIALS

Any tests at the SUPPLIER's charge, which are an integral part of the subject matter of the order, shall be carried out by the SUPPLIER himself in scrupulous compliance with the best and most efficient general state of the art and science, of the duly applicable regulations, of the safety practices and of the standards in force. The performance of final or intermediate tests shall be communicated by the SUPPLIER in due advance and in writing. Testing shall not release the SUPPLIER from its contractual or legal obligations.

### §17 CONTROL AND INSPECTIONS

Any inspections on the subject matter of the order shall be carried out in order to ensure compliance with the time schedule and to guarantee the regular performance of the requested services. Upon agreement between the parties, with a prior notice to the SUPPLIER of at least three working days, controls, checks and inspections may be carried out by VULKAN ITALIA and, if requested, by its final CUSTOMER, in order to verify the manner with which the activities, subject matter of the order, are developed by the SUPPLIER and its eventual SUBCONTRACTORS. In the exercise of the aforementioned faculties, VULKAN ITALIA and the CUSTOMER may make use of its own consultants belonging to third parties, in the manner agreed in advance with the SUPPLIER from time to time.

### §18 WARRANTY AND CLAIMS

The SUPPLIER guarantees that the supply will comply with what is established in the technical definitions of specifications and drawings. It also guarantees the absolute exemption of defects, even latent and hidden, both in the materials used and in the construction. Unless otherwise agreed, the warranty period for the materials object of the order will be 18 months from the commissioning at the customer's premises, in any

case no longer than 24 months from the date of delivery of the subject matter of the order. VULKAN ITALIA will give notice of any defects within 8 days from their discovery. Any shortcomings or defects contested by VULKAN ITALIA to the SUPPLIER during the warranty period of the object of the order, must be remedied by the SUPPLIER immediately and free of charge after VULKAN ITALIA's request (including auxiliary expenses, for example freight, transport on site, insurance, disassembly and assembly). VULKAN ITALIA requires an initial position statement from the SUPPLIER within 24 hours after the request. If the SUPPLIER does not promptly take action to remedy a cause of non-conformity detected by VULKAN ITALIA, in case of urgency, VULKAN ITALIA shall be entitled to carry out directly or through third parties any appropriate correction of the non-conformity at the SUPPLIER's expenses, without prejudice to the warranty obligation of the SUPPLIER. For all repaired or replaced parts, a new guarantee of the same duration as the present article shall start immediately after the final inspection of these parts. If any damage has been caused by a defect of the good or service supplied by the SUPPLIER, the SUPPLIER will indemnify VULKAN ITALIA from any claim made against it by a final customer or a third party for product liability.

In the event that the subject matter of the order is intended to be used by VULKAN ITALIA in synergy with other products supplied by different suppliers and within a more or less complex apparatus, VULKAN ITALIA reserves the right to share with the SUPPLIER the data of the project so as to allow him to provide the warranty provided by law and the one provided herein.

### §19 CANCELLATION / SUSPENSION

Should VULKAN ITALIA decide to cancel or suspend an order, the SUPPLIER will be paid that part of the price corresponding to the proven costs incurred by the SUPPLIER. Further claims will not be taken into consideration. VULKAN ITALIA reserves the right to suspend all or part of the order, in which case there will be an extension of the agreed delivery time in proportion to the period attributable to the suspension.

### §20 CONFIDENTIALITY

The SUPPLIER commits itself not to communicate to third parties, except as expressly provided for and agreed with the SUPPLIER, the drawings, the specifications and in general the information transmitted by VULKAN ITALIA to the SUPPLIER for the execution of the supply subject matter of the order. The SUPPLIER commits itself to use the technical documentation only and exclusively for the execution of the products or services that constitute the subject matter of this order. The SUPPLIER undertakes to return to VULKAN ITALIA the technical documentation received by VULKAN ITALIA upon simple request of the latter, without prejudice to any further agreement between the Parties. VULKAN ITALIA reserves the right to have the SUPPLIER sign, even before the establishment of the contractual relationship, a specific and separate confidentiality agreement. The SUPPLIER must, moreover, ensure that no indication suitable to identify him appears on the product object of the order with the exclusion of the supplies in which VULKAN ITALIA acts as distributor.

### §21 LIMITS TO COMPETITION

The SUPPLIER undertakes not to produce or offer for sale in competition with VULKAN ITALIA products, or parts thereof, manufactured or assembled in conformity with technical specifications, drawings and in general information transmitted by VULKAN ITALIA to the SUPPLIER.

### §22 APPLICABLE LAW AND PLACE OF JURISDICTION

Purchases subject to the present conditions are governed by Italian Law. The place of fulfilment of contractual obligations, unless otherwise indicated in the order, is the registered office of VULKAN ITALIA. The exclusive place of jurisdiction for all disputes that may arise in the execution of the supply is the city of Alessandria in Italy, expressly excluding the jurisdiction of any court chosen with those that the procedural rules identify as principal and/or alternative. The CUSTOMER may not transfer its contractual rights to third parties without the written consent of VULKAN ITALIA.

### §23 SEVERABILITY CLAUSES

The possible invalidity of certain clauses of the contract shall not invalidate the contract itself. If there are invalid or omitted points in this document, this shall not affect the other parts of this document or this document in general.