



TERMS & CONDITIONS OF PURCHASE OF ANDRITZ SLOVAKIA S.R.O.

(Version: January 2020)

Unless otherwise agreed in writing, the following Purchasing terms and conditions exclusively apply to Our inquiries and purchase orders. We shall not be bound by Seller's terms and conditions unless expressly accepted by Us in writing. Quotations and consultation provided by the Seller shall be without charge to and not binding on Us, but shall be binding on the Seller. The Seller is obliged to collect sufficient information on all details concerning the subject of inquiry or supply.

Definitions

- i. The terms "We", "Us", "Our" or "ASK" shall mean the company Andritz Slovakia s.r.o. („Buyer") as stated in the purchase order.
- ii. The term "Seller" (Supplier) shall mean the person, firm or company to whom the purchase order is issued.
- iii. The term "Goods" means all or part of the articles, materials, equipment, services, works, supplies and other items described in the purchase order, including manuals, operation instructions, reports and drawings to be supplied by the Seller.
- iv. The term "Purchase Order" means the order in writing issued to the Seller by the Buyer, comprising of the documents referred to therein and constituting a binding agreement between Seller and the Buyer.
- v. The term "Contract" means the contract between Us and the Seller consisting of the Purchase Order, these Purchasing terms and conditions and any other documents (or part thereof) specified in the Purchase Order.

1. Award

- a. Purchase Orders shall only be legally binding if issued on Our order forms.
- b. Verbal or telephone orders must be confirmed in writing to become binding.
- c. Variations and/or amendments to the Purchase Orders need to be agreed in writing.

2. Order Confirmation

- a. ASK must receive the written order confirmation not later than 3 days after delivery of the purchase order.
- b. The Purchase Order is also deemed to be unconditionally accepted if the Seller is perceived to have commenced carrying out the Purchase Order after delivery or if the Goods have been (partially) delivered. Our Purchase Order number must always be duly stated.

3. Prices

- a. The prices are fixed and firm, include packaging and apply delivery conditions DDP in accordance with Incoterms 2010, latest version, if not agreed differently.



- b. If prices and conditions have not already been agreed in Our Purchase Order but have been left subject to subsequent communication, they only become binding after Our written acceptance.
- c. The Goods are to be properly packed in perfect condition for transport, using environmentally-friendly, recyclable material. Packing material, upon Our decision, can be returned at Seller's cost and risk. All wooden packing must be heat-treated.

4. Invoicing

All invoices shall to be addressed to ASK. The invoices must be issued in duplicate and should bear reference to date and method of delivery and place of delivery. Value added tax, if applicable, shall be shown separately on all invoices as a separate accounting item to net price. A separate invoice must be issued for each partial delivery under the Contract. Apart from the Purchase Order and item number and title, all relevant Purchase Order and dispatch data must be indicated on the invoice. For services the relevant supporting documents must be attached to the invoices. We reserve the right to return any invoices that do not meet these requirements. In this case, no invoice will be deemed delivered unless a correct ectified invoice is delivered.

5. Payment

- a. Unless otherwise agreed, payments shall be made after the delivery and acceptance of the Goods, delivery of all documentation and delivery of the invoice. The invoice is due within 60 days from the date of its issue, unless otherwise agreed.
- b. In case of a claim for defects relating to the delivered Goods, payment is not due until the defect has been satisfactorily remedied. If the documents and/or certificates agreed upon are not delivered on the date for payment, the delivery of Goods shall be regarded as not fulfilled and payment will not be made until the missing documentation is delivered.
- c. The Seller agrees to pay to ASK claims and obligations of all kinds in any amount which were caused by the Seller.
- d. Assignment of claims and reservation of titles shall not be made without Our prior written consent, and are not valid without written consent from Us.
- e. If a partial payment is made by Us, the Seller undertakes to use this money for payment to third parties for the materials required for manufacture of the Goods. The material or Goods acquired by the Seller shall be considered to be the property of the Buyer, while the Seller shall remain responsible for the quality and suitability of the material or goods thus purchased.
- f. ASK reserves the right to withhold payment for the goods not approved by ASK.

6. Delivery

- a. Unless otherwise agreed in writing DDP applies for the delivery of the Goods (including packing and conservation) in accordance with Incoterms 2010 in the latest version, if not agreed differently.
- b. Concerning passing of the risk it is regardless of DDP Incoterms 2010 agreed that the Seller bears the risk for the Goods until these have been received and accepted by ASK at the stated place of delivery. This also is the case even if ASK is in charge of the transport, bears the costs and/or has arranged a transport with a third party. In case of loss or damage of the Goods in transit the supplier is obliged to supply replacement goods without this affecting ASK's other claims and remedies for breach of the Contract.



- c. The stipulated delivery date - delivery to destination - must be strictly observed, otherwise we shall be entitled either to insist on delivery and to claim damages for delayed delivery, or to claim damages for non-fulfilment of the Purchase Order and to terminate the Contract with immediate effect. On such termination we shall be entitled without prejudice to any other rights to return to the Seller at the Seller's risk and expense any of the Goods already delivered and to recover from the Seller any monies already paid in respect of such Goods and all other expenses to which we have been put in consequence of the decision to return the Goods.
- d. If the Goods is delivered before the stipulated date, which may only be made with Our consent, the specified periods related to delivery shall not begin until the delivery date originally agreed upon.
- e. ASK shall be entitled to charge the Seller a penalty in the amount of 2% (1% for documentation based on the Contract) of the total Purchase order value for each week of delay in delivery or parts thereof. Every loss caused by the Seller exceeding this amount has to be reimbursed by the Seller to Buyer. Unconditional acceptance and/or whole or partial payment of the goods/services supplied shall not constitute any waiver of the penalty payment due.
- f. Should it become impossible to meet the delivery date due to force majeure or supplementary instructions issued by Us, this must be indicated by the Seller in writing without delay. If the Seller fails to fulfil this obligation, requests to extend the delivery date cannot be considered. If a justified claim is made by the Seller to extend the delivery date, the new date of delivery must be agreed in writing. If this new delivery date is set, the conditions originally laid down shall apply automatically.
- g. Force majeure means exceptional events or circumstances beyond the parties control which could not have been foreseen by the contractual partner invoking force majeure at the time of issuing of the Purchase Order and which prevent him from fulfilling his contractual obligations. All forms of war and natural disaster as well as nationwide and officially declared strikes shall be considered circumstances of force majeure. Manufacturing defects, defective castings, deficiencies and limitations in procuring and delayed deliveries from sub-suppliers of the Seller, for example, will not be considered as force majeure.

7. Delivery regulations

- a. The goods, which must be in perfect condition, are packed very carefully for transportation. ASK can decide to return the packing for the account and risk of the Seller.
- b. All necessary or useful information for storage and further handling (inclusive of lifting and transport instructions) must be clearly indicated on the packing.
- c. All goods must be delivered at the delivery address specified in the Purchase order. If the Goods are not delivered according to the Purchase order the Seller is held liable for all additional costs that might incur in connection with delivery of the Goods at the correct address.
- d. All Goods must be labelled according to ASK specifications. If no labelling has been specified, the Goods must be labelled with ASK item number and item title defined in the Purchase order.
- e. The delivery instructions which ASK issues must be strictly observed; any damage or ensuing costs attributable to delivery regulations or conditions not being observed (e.g. extra freight, demurrage, customs duties) shall be borne exclusively by the Seller. If there are no delivery regulations or conditions specified, the reasonably priced and most favourable means of shipping and delivery to ASK shall be used.
- f. A packing slip and dispatch note are to be packed with the consignment itself.
- g. In case of direct supply, a copy of the delivery note or shipping note must be sent immediately to ASK. The following information must be indicated on the delivery note and on the package:



- complete Purchase order number, ASK item number and its title according to the Order, contents, consecutive number of the package, usual markings, gross and net weight as well as dimensions of the package. Labelling requirements must be observed.
- h. On delivery of goods without payment of duty (DDU) must be the relevant customs documents, certificates of origin, movement certificates and identity of the Goods, etc., accompanied with the goods.
 - i. In case of an oversized shipment, the Seller shall inform ASK in detail of the delivery specification (on packaging, dimensions and weight) at least 6 weeks in advance to the delivery of the Goods to ASK.
 - j. If delivery documents are not issued according to the Purchase order, ASK shall be entitled to return the consignment to the Seller at the Supplier's expense and/or to require the reimbursement of the ensuing additional costs.
 - k. All documents related to the Purchase order, such as order confirmation, delivery note, invoice etc. must be marked with the Purchase order number, item number and item title.
 - l. If the Purchase order contains a different delivery address (direct Shipment) than the ASK address a delivery note with the Purchase order number must be attached to the delivery. A copy should be faxed or emailed to ASK purchase department. No document may contain prices or other information relevant only to ASK.

8. Rejection of the Goods and Seller responsibility

- a. In the case of rejected Goods/ incorrect supplies which are returned at the expense and risk of the Seller, we reserve the right either to insist on a replacement supply or to waive the supply and ask for reimbursement of the relevant payments, if any. Transport for the replacement Goods and for the return of miss-supplied Goods shall be at the expense and risk of the Seller.
- b. Should we incur damages or losses resulting from the above, the Seller must provide full compensation to Us.

9. Acceptance

- a. Legally effective acceptance of the Goods will not take place until Our entire supply has been checked and commissioned by Our customer, even if the delivery of Goods has been confirmed and/or the invoice has been paid. Accordingly, We reserve the right to claim the defects even after commissioning of Our final delivery to Our customer.
- b. If the supply does not comply with the terms agreed in the Purchase order, the conditions customary in trade or with safety regulations, We shall be entitled to terminate the Contract with immediate effect and to procure replacement of the Goods at the expense of the Seller.
- c. If inspections are planned, the cost of such inspections shall be borne by the Seller except for Our and/or third party's personal expenses. If these inspections have to be repeated for reasons attributable to the Seller, cost of these inspections shall be borne by the Seller.

10. Guarantee

- a. All valid international standards defined in the purchase order must be available at the Seller in their latest revision. The Seller is responsible to require from Buyer all missing standards and procedures of ASK.
- b. The Seller shall guarantee that the Goods conform in every respect with the Purchase Order, are of sound design, materials and workmanship are in accordance with the best professional



- and technical practices and the Goods is capable to meet standard performance specified in the technical specification.
- c. Furthermore the Seller guarantees that design and manufacture of the Goods supplied are correct and in accordance with the latest technology as well as fits the purpose(s) for which they are purchased and as is indicated in the Purchase Order either expressly or with the intended use. The Seller shall provide a guarantee for the quality of the Goods, guaranteed properties, functionality, efficiency and capacity as well as the materials used for a period of two years of operation (even in use in shifts). The guarantee begins on the day the Goods are put into operation. This guarantee shall be such that ASK can choose whether the Seller shall replace all parts which become unusable, defective or damaged during this period free of charge (including dismantling and re-installation costs) at the installation site without delay and on the Seller own risk, or whether the Seller shall compensate any damage or loss resulting from the goods being unusable, defective or damaged during the guarantee period. In urgent cases We shall be entitled to carry out repairs or to replace the Goods ourselves or to arrange for a third party to do so at the expense of the Seller. If the Goods are exchanged or repaired, the full guarantee commences with new start-up.
 - d. The Seller undertakes to provide spare and wear parts for a period up to 10 years after delivery at market prices and customary delivery times.
 - e. By accepting the Purchase order, the Seller expressly declares that the object of delivery is free from third party rights, in particular proprietary rights, and does not infringe in third parties intellectual property. He undertakes to hold harmless and indemnify Us from third party claims in respect of the object of delivery and to fully compensate Us for any damage or loss suffered.
 - f. In addition the Seller shall be liable without limitation for all damages he has caused.
 - g. The Goods have to comply with all regulations in force in the land of destination.

11. Cancellation / Suspension

- a. Termination
If necessary and without giving any reason, We are entitled to terminate the entire Contract or parts thereof with immediate effect. In such case We shall be obliged to pay the Seller the contractual price in proportion to the supplies and services already rendered and also refund direct costs for supplies and services which can be verifiably proved as well as for the cancellation of the orders placed by the Seller to its sub-contractors. Upon receiving notification of Our cancellation, the Seller shall be obliged to make every effort to keep the costs We are to refund the lowest possible. All and any additional claims arising out of or in connection with a cancellation are excluded.
- b. Insolvency
We are entitled to cancel the order with immediate effect, if the Seller becomes insolvent or declares bankrupt. We shall be free at any time to purchase at Our decision materials bought by the Seller based on Our Purchase order, engineering services or its parts on which work has been started at customary prices.
- c. Suspension
We are entitled to demand at any time that the Seller interrupts his further processing of the Purchase order. In such case the Seller must specify the possible consequences in writing and offer the best possible modification of the delivery schedule keeping the economy of the



project. The Seller will not make any claims for a suspension of time of up to a maximum of 6 months.

12. The Purchase order documentation

- a. The information contained in Our enquiries or orders, the enclosed drawings and drafts as well as samples and other expedients remain Our property and may not be used elsewhere without Our written consent; they must be returned with the price offers or after the order has been completed without any special demand having to be made by Us. All drawings, calculations and other, especially technical documentation supplied by the Seller will be in Our ownership and the Seller may not use them for any other purpose than the execution of the order. Our order may be used for advertising purposes, including specialised publications only with Our prior written consent. The Seller may not disclose Us or another ANDRITZ plant as its reference without ASK or ANDRITZ plant approval. The purchase order and all information, documentation, etc., pertaining to it must be treated in confidence as Our trade secrets and must not be passed on to third parties. In case the supplier involves third parties in the order execution he has to oblige this third party to confidentiality in the same way. In case of a breach of this provisions the Seller will be held liable.
- b. Any annexes to the order of a technical or commercial nature form an integral part of the order.
- c. In case of discrepancies in the order documentation, the following priority shall apply:
 1. The Purchase order
 2. Special technical and/or commercial conditions and their enclosures
 3. These General Purchasing Terms.

13. Responsibility

- a. The supplier is obliged to indemnify ASK and the ASK end user for any damage on person or thing, which is caused completely or partly as a result of errors and defects of the subject of delivery (Goods).
- b. Without limitation, the Seller is responsible for all damage he has caused, including but not limited to loss of production, loss of profit and any other consequential economic loss.

14. Place of Performance/Partial Invalidity/Jurisdiction/Applicable Law

- a. The place of performance for payment is Humenné.
- b. In case of invalidity of one or more provisions the other provisions of these General Purchasing Terms remain in force.
- c. All disputes between a supplier with its legal seat in Slovakia and ASK arising in connection with the Contract, or further contracts resulting there from, shall be finally settled by the Arbitration Court of the Slovakian Chamber of Commerce in accordance with the applicable Arbitration Rules. The arbitral tribunal shall be composed of three arbitrators. The arbitral procedure shall be conducted in the Slovakian language. The parties shall comply with the decision of that court. Its decision shall be binding on the Parties.
- d. Disputes between a supplier with its legal seat outside Slovakia and ASK arising out of or in connection with the Contract shall be finally settled by the Arbitration Court of the Slovakian Chamber of Commerce in accordance with the applicable Arbitration Rules. The arbitral tribunal shall be composed of three arbitrators. The arbitral procedure shall be conducted in the Slovakian language. The parties shall comply with the decision of that court. Its decision shall be binding on the Parties. Applicable law is the substantive law of the Slovak Republic.



- e. The application of the United Nations Convention on the International Sale of Goods is excluded.

15. Acceptation of Code of Business Conduct and Ethics by Supplier

The Supplier herewith confirms that it has taken note of the Code of Business Conduct and Ethics of the Andritz Group ("the Code"), which is published on the Andritz web site at <https://www.andritz.com/group-en/about-us/suppliers>. The Supplier acknowledges that the principles laid down therein form the base for engaging business with companies of the Andritz Group and that it will respect and adhere to these principles in its own conduct. Andritz reserves the right to terminate the business relationship or contract in the event of a major breach by the Supplier of the rules laid down therein. The Supplier will indemnify and hold Andritz Group companies harmless from damages arising out of its breach of the Code.

16. General provisions

- a. The title and risk in the Goods shall remain in the Seller until it is proven delivered to the place of delivery specified in the Purchase Order.
- b. All materials provided remain Our property and shall not be used for any other purpose than defined in the Purchase order. This reservation of title also applies in the event that the materials are processed.
- c. The Seller has to notify key subcontractors to Us and seek Our approval to use them. We and Our customer and/or representatives shall have the right to inspect all Goods at the Seller's premises and at the premises of his sub-contractors and to reject Goods which do not comply with the terms of the Contract. The Seller's sub-contracts shall be made in accordance, to allow such right.
- d. The payment realization shall not prejudice Our rights of rejection of Goods. The Seller shall collect rejected Goods at his own expense within seven (7) days of rejection from ASK. Failure to do so shall give Us the right to return rejected Goods to the Seller at the Seller's risk and expense.
- e. All tools, produced for ASK supplies and paid by ASK is solely the property of ASK and can only be used for supplies to ASK. All such tools should be marked "The property of ANDRITZ Slovakia s.r.o. and ASK item number".
- f. The BUYER defined as a preferred language the Slovak language.

17. Obligation of the conditions

- a. These conditions are inseparable part of the Contract. Conditions agreed in the Contract differently shall prevail to these General Purchasing terms of ASK. By concluding the Contract the Seller agrees with the conditions he was fully aware of and will keep them with no exceptions. These General Purchasing Terms are available at the web page <http://slovakia.andritz.sk>.
- b. The above mentioned General Purchasing Terms apply for all ongoing and future business between the Seller and ASK and the above-mentioned terms and conditions remain in force until substituted by new signed terms and conditions.



18. Export control

On award of contract, the Seller undertakes to report to the Buyer goods, including their dual-use codes, from its scope of supply if they are subject to Regulation EC No. 428/2009 in its valid version (so-called "Dual-Use List") or another permit obligation pursuant to EU export control law (such as the Common Military List, Annex II of the Russia embargo, etc.), and US re-export law. If it involves US goods, the Seller is obligated to inform the Principal of any ECCN (so-called "Export Classification Control Number") or to provide the Buyer with an indication of the principal exemption from licensing (so-called "EAR99" coding) of its goods. The Seller must report to the Buyer immediately if goods were not subject to an export permit on award of contract (e.g. were therefore not on a list of goods like the Dual-Use List) but have since become subject to a permit (e.g. have therefore been included in a list of goods like the Dual-Use List) or if other obstacles or barriers to export become known to the Seller.