

## ENEDO SPA GENERAL TERMS AND CONDITIONS OF PURCHASE (Rev. Nov.22)

The hereinafter indicated general terms and conditions shall apply to this purchase order placed by Enedo SpA and its affiliates (hereinafter 'Buyer') with the company selling the goods, (hereinafter 'Supplier'), for purchasing components/sub-assemblies/equipment/services (hereinafter 'Products') as specified in this order.

### 1 PURCHASE ORDER

These general purchasing terms and conditions shall govern the supply of products cited in this order.

The purchase order this attachment refers to obliges Buyer to buy unless Supplier notifies Buyer differently within ten (10) days from the date of receipt. Should Supplier acknowledges later than indicated, Buyer reserves the right to cancel the order, communicating it to Supplier in writing within 15 days from the receipt of Supplier's late confirmation. In case Buyer does not notify Supplier in regard to the order late acknowledgement, both parties are obliged to meet the order in prescribed terms.

- 1.1** Contractual conditions different from those stipulated hereinafter, whether attached, added or modified by Supplier shall not be valid without an explicit and specific written confirmation issued by Buyer.

### 2 PRICES

- 2.1** The prices indicated in the order, are fixed and are not subject to any variation. They are considered inclusive of the relevant package to be shipped in accordance with Buyer's instructions. Shipping conditions are specified in the order.
- 2.2** Unless otherwise agreed in writing, the price includes all applicable taxes, fees and duties, except for value-added tax (VAT) which must be stated separately in accordance with the applicable VAT rules.

### 3 INVOICING

- 3.1** Invoices relevant to products ordered will be released by Supplier upon the delivery of these products and will refer to the order number, order line ('partial' or 'total') and description of goods. The payment for partial deliveries shall be affected only after the final delivery, unless otherwise agreed.
- 3.2** The shipping document(s) accompanying the goods must bear the order reference number. On the contrary, Buyer reserves the right not to accept the delivery of goods.
- 3.3** Supplier bears the tax or bank expenses, if that may be the case.

### 4 DELIVERY

#### 4.1 Terms of Delivery

Delivery is DDP (Incoterms 2020) at Enedo SpA indicated premises unless differently specified in the order. All products ordered by Buyer must be delivered on the dates and to locations as indicated in the order and, in case of transporting goods to a port, through a carrier the parties have agreed to use, goods are transported to Buyer's warehouse or wherever indicated, Supplier being responsible and running the risk. The terms regarding delivery are obligatory. Thus delays and anticipations in respect to requested delivery dates are excluded unless requested by Buyer.

#### 4.2 Delivery Delays or Anticipations

Should Supplier have reason to assume that a delay will occur or is likely, Supplier shall immediately notify Buyer in writing, stating the cause and estimated duration of the delay.

In addition to reserving all rights to charge for damages in case Supplier delivers late any part of Products in respect to dates prescribed by the order, Buyer has the right to cancel the order completely or partially.

Buyer may send back to Supplier, at Supplier's expense, any portion of the Product delivered more than seven (7) days in advance in respect to the date of delivery specified in the order, those Products shall be considered as non-delivered. Therefore, Buyer may charge Supplier for an anticipated delivery charging Supplier for the consequent storage costs.

#### **4.3 Rescheduling**

Buyer reserves the right, free of any additional charge, to change the place of Products destination and/or postpone the delivery date up to max hundred and twenty (120) days provided Supplier receives a written notice about it twenty (20) days in advance in respect to the date of delivery prescribed by the order.

Supplier shall, furthermore, accept modified terms provided they do not exceed thirty percent (30%) of order specified volumes, as long as Buyer's requests are in writing and made in adequate advance. As far as requests for volumes exceeding thirty percent (30%) are concerned, Supplier shall do its best to satisfy Buyer's needs.

## **5 INCOMING INSPECTION AND ACCEPTANCE**

**5.1** Supplier shall supply Products conforming to technical specifications and datasheets provided. Supplier shall annul obsolete versions and provide products of the most recent level, with the exception to already placed orders.

In order to verify the above-mentioned conformity, Buyer reserves the right to inspect or have the Products inspected by a third party, according to 'at random' inspection procedures and quality control tests and index (AQL), and thus not accept the batch(s) which have failed relevant tests or choose not to accept failed items.

**5.2** Buyer shall choose whether to execute the above-mentioned inspections and tests at premises or at Supplier's site prior to delivery or upon reaching Buyer's premises. Buyer shall choose its own personnel or a third party, nominated by Buyer, to perform Inspections and tests.

Buyer's (or its affiliates) staff member in charge shall perform the incoming inspection. Supplier shall notify Buyer minimum fifteen (15) days prior to the date of delivery when Products are available for inspection. Buyer reserves the right to reject goods up to forty (40) days after incoming. However, the Supplier warranty for faults and defects of supplied Products remains valid.

#### **5.3 Non-acceptance**

Further and not limited to Buyer's right to cancel the order fully or partially, Buyer shall: a) annul the order in full or in part, b) demand the rejected batches or items to be replaced at Supplier's expenses within maximum fifteen (15) days from the day Buyer communicates non-acceptance and consequent request for substitution. Based on periodic evaluation and after notifying Supplier about non-conformity re-occurrence, Buyer reserves the right to withdraw from any contract of supply.

In case of rejected or non-conformal Products, if any, Buyer shall, in addition to the whole lot replacement remedy, also have the possibility to:

- either restore defective Products by performing additional repair and charging Supplier the relative expenses;

- or request from Supplier to select and sort Products, at its expenses, corresponding to those prescribed by the contract;
- or not accept the rejected Products or the whole batch Products belong to without demanding any replacement when the same cannot be used by Buyer and asking remedy for that.

Buyer, that will reserve to ask for any further damage caused by Supplier negligence, shall not pay Supplier for any rejected lots or items.

**5.4** Delivered goods shall be put on stand-by and acceptance is subject to controls performed by Buyer (unless differently decided).

## 6 WARRANTY

Supplier warrants Buyer its full property of Products and their lawful transfer without any prejudice regarding any other Buyer's remedy.

The Products shall be delivered free of any mortgage, liability or collateral and any sort of legal guaranties. Products shall be compliant to all referential specifications and technical datasheets or those attached to the purchase order relevant to these Products. Moreover, Products shall be free of defects and/or failures during warranty period.

Supplier shall, as a minimum, replace or repair Products with defects or failures free of charge at Buyer's or its Customer's premises during the entire warranty period, as indicated hereinafter and bear all relative costs and expenses. Units warranty is enacted after they have been replaced or repaired.

The warranty mentioned herewith in this article is valid for a period of twenty-four (24) (or thirty-six (36) or sixty (60) according to the type of Product) months starting from the date of acceptance of the end product containing the Product by the customer of the Buyer. Furthermore, Buyer has the right to request reimbursement for major damages due to defective or failed Products providing Buyer makes a complaint within the warranty period.

## 7 EPIDEMIC DEFECTS

**7.1** In addition to the warranties above, Supplier shall be obligated to remedy any 'Epidemic Defects' of the Products during a period of five (5) years from the end of warranty period.

**7.2** In the event of any 'Epidemic Defects' affecting the Product, the Buyer and/or its customers shall (a) be permitted to return all Product to Supplier at Supplier's expense; and (b) be permitted to immediately obtain a full refund of monies paid for the Product in lieu of obtaining repaired or replaced Product. An 'Epidemic Defect' shall exist when the Defect affects:

- a) a similar defect at a rate of two percent (2%) or more in any given thirty (30) days rolling period over the life of the Product during the aforementioned relevant time period of five (5) years, or
- b) one point five percent (1.5%) or more of any Product within a period of six (6) consecutive months during the aforementioned relevant time period of five (5) years.

**7.3** Notwithstanding the foregoing, an Epidemic Defects shall not include any of the following:

- (i) an application specific failure, outside the product specification parameters
- (ii) a customer/system induced failure.

**7.4** If defectiveness or agreed specifications non-conformity are present in Products as a type of re-occurrence and/epidemics ('Epidemic Defects'), Supplier shall remove the epidemic defect cause. In this case shipments of still-due Products will be suspended, upon Buyer's request, until the remedy of the epidemic defect cause.

**7.5** In case Supplier has not provided remedy within thirty (30) days after Buyer notifies Supplier about epidemic defect presence, Buyer has the right to withdraw from the suspended contract free of any liability or communication regarding withdrawal, nevertheless, reserving the right to claim damages as well as all other remedies.

**7.6** If a solution to the problem is found, all Product units subsequently delivered to Buyer shall have modifications of epidemic defect remedy implemented and Supplier shall carry out free-of-charge retrofitting in all the units previously delivered to Buyer which were affected by the epidemic defects. Supplier shall reimburse (but not limited to) Buyer for damages suffered due to substitution or identification of Products delivered containing the epidemic defects.

## **8 CHANGING/MOVING THE PROCESS LIABILITY**

Supplier shall immediately communicate (and wait for approval) their intention to change the production process and/or move the Product manufacturing site, if that may be the case, to Buyer in writing, to enable Buyer to exercise the right to re-homologate Products and production site(s) prior to being manufactured using new process or at a new site and prior to being sold to Buyer. Supplier shall be liable for any Buyer's negative consequence generated from Supplier's not respecting hereinbefore specified instructions.

## **9 ENGINEERING AND KNOWHOW PROPERTY**

**9.1** Supplier ensures that Products designed and supplied by it do not fringe any patents, author's rights, other third party's knowhow, engineering propriety rights or other intellectual property rights of a third party and that no legal action for counter fake of the above rights and/or patents is pending at any court or is related to ordered Products or their documentation. Supplier shall take care of any litigation concerning such infringements and shall be responsible for eventual claims of damages directed towards Buyer in respect of such infringements. Furthermore, Supplier shall reimburse Buyer for any damage or expense generating from a third party's claim based on counterfeit.

**9.2** Buyer reserves the right to use Product related documentation, translate it, reproduce and modify it in order to insert it in its own documentation manuals.

**9.3** Supplier shall return samples/prototypes and equipment pertaining to Buyer in good functioning condition.

**9.4** The equipment built at Supplier's expense may be destroyed five (5) years as of the last order and upon a written authorization by Buyer.

## 10 CONFIDENTIALITY

**10.1** Supplier shall keep confidential specifications, drawings, designs, data and all other written documentation ('information') furnished by Buyer. Supplier shall be responsible for such material while in its care and shall mark or otherwise identify them as Buyer's property. Supplier shall return such material to Buyer upon the termination of relevant order or at Buyer's request.

Supplier shall not reveal and pass information to any third party but use it solely for selling Products to Buyer.

Supplier acknowledges illegality of manufacturing and selling Buyer designed products, prototypes or samples, either for production or spare parts whatsoever or any other purpose even providing the foregoing do not explicitly refer to the Buyer's brand. Supplier shall not mention Buyer or the purchase order in any newspaper statements or any other advertising form.

**10.2** Drawings, samples/prototypes, equipment and tools owned by Buyer are not to be copied, passed to and used by a third party without Buyer's written authorization.

## 11 THIRD PARTY TRANSFER PROHIBITION

All the rights deriving from this order shall not be passed or delegated to any third party.

## 12 APPLICABLE LAW AND COURT OF COMPETENCE

These general purchasing terms and all matters arising out of or in connection with the terms shall be interpreted, construed, and governed exclusively in accordance with the laws of Italy without reference to its choice of law rules.

The United Nations Convention on Contracts for the International Sale of Goods done at Vienna April 11, 1980, is excluded.

Any dispute, controversy or claim arising out of or relating to this Agreement shall be primarily resolved in the district court of Ancona, Italy.