



GENERAL PURCHASING CONDITIONS

ANDRITZ Gouda B.V.

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These General Purchasing Conditions apply to any legal transaction between the Buyer and the Seller (“Agreement”) with respect to the sale of products, equipment and associated parts (“Products”) and/or services rendered relating thereto (“Services”). The Buyer concludes the Agreement exclusively on the basis of these General Purchasing Conditions. Quotations and consultation provided by the Seller shall be free of charge to the Buyer. The Seller shall be obliged to collect sufficient information on all details concerning the subject of inquiry or supply.

1. Ordering

- 1.1 Purchase orders shall only be legally binding, if they are issued on the Buyer’s order forms.
- 1.2 Preliminary verbal or telephone orders must be confirmed in writing on the Buyer’s order form to become legally binding.
- 1.3 Variations and/or amendments to orders need to be agreed in writing.
- 1.4 The language of the entire correspondence shall be in Dutch or English. The shipping documents, delivery notes, invoices, and all related documents must be issued in Dutch or English.
- 1.5 The Seller shall immediately after receipt of a purchase order and in no case later than 3 days thereafter issue an order confirmation. The order confirmation shall be enclosed to the purchase order form and contain the Seller’s legally binding signature, or shall be sent via electronic transmission systems, in which case the order confirmation shall be congruent with the Buyer’s purchase order.

2. Prices

- 2.1 The prices are fixed and shall apply DAP (INCOTERMS 2020). The place of delivery shall be defined in the purchase order.
- 2.2 The prices are excl. VAT but including all taxes, duties, fees, etc. and all costs for documentation, technical inspection and testing, paint, corrosion protection, labeling, signs, etc.

3. Delivery Date and Delay

- 3.1 The Seller shall comply with the delivery date stipulated in the purchase order. If the Products





are delivered before this date upon the Buyer's prior written consent, any time periods related to the delivery date shall not begin before the delivery date that was originally scheduled.

- 3.2 In case of a delay in delivery, the Buyer shall be entitled to claim liquidated damages in the amount of 2% (1 % for documentation) of the total order value for each commenced week of delay.

Acceptance and/or payment of all or part of the Products and/or Services shall not be construed as a waiver of the Buyer's right to claim liquidated damages. The Seller waives its right to have the amount of liquidated damages reduced by a court of law or an arbitration institution. Payment of liquidated damages does not relieve the Seller from its obligations under the Agreement.

- 3.3 If it will be evident from the circumstances that the delivery date cannot be met, the Seller shall promptly notify the Buyer thereof in writing. The Seller shall provide the Buyer with all necessary information on the status of the project and shall present to the Buyer alternative proposals to minimise the delay. If the Seller considers himself entitled to an extension of the delivery time, the Seller shall give notice to the Buyer in writing within 5 days after the Seller became or should have become aware of the event giving rise to the claim. The Seller shall submit a fully detailed claim within 7 days upon submission of such notice. If the Seller fails to comply with this clause 3.3, the delivery time shall not be extended, and the Buyer shall be discharged from its liability. Any new delivery dates must be agreed in writing. Dates subject to liquidated damages which have been so postponed shall be again subject to liquidated damages.

- 3.4 "Force Majeure" shall mean such inevitable circumstances as could not have been foreseen by the party invoking Force Majeure at the time of entering into the Agreement and which prevent the party from fulfilling its contractual obligations. Force Majeure shall be limited to war, riots, earthquakes, fire and other natural disasters. Strikes, severe weather conditions, manufacturing defects, bottlenecks in procurement, shortage of materials, lack or restricted availability of transport, delayed deliveries from sub-suppliers, etc., shall not be considered as Force Majeure events. The party which is prevented from fulfilling its contractual obligations shall give written notice of the event constituting Force Majeure within 5 days after the party became aware or should have become aware of such event. The party shall, having given notice in accordance with this clause 3.4, be excused from the performance of its obligations affected by Force Majeure for so long as such event prevents it from performing them.



4. Packaging, Dispatch and Transport

- 4.1 The Seller shall pack the Products in a responsible and expert manner in line with the below stipulations for packaging and transport. Packing material can be returned at the Seller's cost and risk. Pallets will not be exchanged.
- 4.2 Any dispatch instructions issued by the Buyer shall be strictly observed; any damage, costs, fines, penalties, etc. attributable to dispatch instructions not being followed (e.g. extra freight, demurrage, customs duties) shall be borne by the Seller. If the Buyer does not issue specific dispatch instructions, the cheapest and most suitable means of packing and transport shall be used.
- 4.3 The packing slip shall be sent to the Buyer immediately upon departure of each shipment. A packing slip shall be attached to the Products. The following information must be indicated on the packing slip and on the package: the Buyer's complete order number and item number, content, consecutive number of the package, usual markings, gross and net weights as well as dimensions of the package. The Buyer's labelling requirements shall be observed.
- 4.4 When supplying Products duty unpaid, the relevant customs documents, and, if necessary, certificates of origin, identification certificates, etc., shall be submitted to the Buyer in due time.
- 4.5 In case of oversized shipments, the Seller shall inform the Buyer about the shipment details (packaging, dimensions and weights) as soon as possible but not later than 6 weeks prior to dispatch.
- 4.6 If dispatch documents are not issued according to the purchase order, the Buyer shall be entitled to return the Products at the Seller's expense and/or to reimbursement of the additional costs arising therefrom.

5. Rejection

The Buyer reserves the right to reject any Products that are damaged or have not been delivered in accordance with the Agreement. In such a case, the Seller shall promptly deliver a replacement fulfilling all requirements of the Agreement and shall reimburse the Buyer any additional costs in relation thereto. Transport of the rejected Products as well as the replacement Products shall be at the expense and risk of the Seller.

6. Acceptance

- 6.1 Acceptance of the Products shall only occur when the Buyer's scope of supply has been inspected and/or tested at the final customer's site, even if delivery of the Seller's Products has been confirmed and/or the corresponding invoice has been paid. The Buyer reserves the right to notify the Seller of a defect in the Products after such final inspections and tests have been performed.
- 6.2 If the Products do not comply with the Agreement, the conditions customary in trade or with any safety or other mandatory regulations, the Buyer shall be entitled to terminate the Agreement



and to procure replacement products at the Seller's expense.

7. Guarantee

7.1 The Seller ensures that the Products are in accordance with the latest technology and that they can be used for the purpose for which they are intended. The Seller guarantees that the Products are free from defects in design, material, workmanship, and that they achieve the guaranteed features, functioning, efficiency and capacity for a period of 2 years of operation (also for multi-shift operations) or 30 months after delivery, whichever occurs first. The Seller shall – at the Buyer's discretion – either promptly repair or replace all parts which are found to be unusable, defective or damaged within this period (delivery of such replacement parts DDP installation site) and bear all dismantling, transport and re-installation costs in relation thereto, or indemnify and hold the Buyer harmless from any claims, costs, damages, losses or expenses resulting from the Products being unusable, defective or damaged.

In cases of urgency or if the Seller fails to remedy a defect, the Buyer shall be entitled to repair or replace the Products itself or to arrange a third party to do so at the Seller's expense. If the Products are repaired or replaced, a new guarantee period commences at the start-up date according to the same terms and conditions as for the original Products.

7.2 The Seller undertakes to provide spare and wear parts for a period of up to 10 years after delivery of the Products at market prices and customary delivery times.

7.3 The Seller warrants that the Services performed shall be free from defects in workmanship and will conform to any mutually agreed specifications. If any failure to meet this warranty appears within 2 years from the date of completion of the Services, the Seller shall correct the failure by re-performing any defective portion of the Services furnished.

7.4 By accepting the purchase order, the Seller expressly confirms that the Products are free from any third party rights, including but not limited to liens, encumbrances and intellectual property rights. The Seller undertakes to indemnify and hold the Buyer harmless from and against any claims, costs, damages, losses or expenses (including attorney's fees) arising out of or in connection with such third party claim. The Seller shall defend and settle such claim at its expenses.

8. Termination/Suspension

8.1 The Buyer shall be entitled to terminate the Agreement either in whole or in part at any time without giving reasons. In such a case the Buyer shall be obliged to pay the Seller the price for all Products that have been delivered and/or Services rendered plus the direct cost for work in progress and termination costs, for which the Seller shall provide substantiating evidence. Upon receipt of a notice of termination, the Seller shall be obliged to mitigate any costs the Buyer will have to reimburse. Any and all additional claims of the Seller for whatever legal grounds shall be excluded.



- 8.2 The Buyer shall be entitled to terminate the Agreement in case of a material breach by the Seller and after having granted a reasonable grace period which has elapsed without success. The Seller shall immediately stop all works (other than works necessary for the safety of the Products and/or people) and at the Buyer's choice, hand over all Products partly or completely manufactured up to termination incl. all documents, drawings and other information prepared in relation to the Agreement.
- 8.3 To the extent permitted by law, the Buyer shall be entitled to terminate an Agreement immediately, if bankruptcy, conciliation or similar proceedings are filed or initiated regarding the Seller's assets. The Buyer shall be entitled to take over any materials purchased for the performance of the Agreement, or parts on which work has been started at customary prices. The Seller shall furnish to the Buyer all documents, drawings and other information prepared in relation to the Agreement.
- 8.4 The Buyer shall be entitled to request that the Seller suspends its work at any time. The Seller shall notify the Buyer of the possible consequences of such suspension and shall propose an appropriate modification of the time schedule. The Seller shall not be entitled to raise any claims for extension of time/reimbursement of additional costs, if the suspension does not exceed 3 months.

9. Invoicing

All invoices shall be addressed to ANDRITZ Gouda B.V., Waddinxveen and presented in good, machine-readable quality in one copy, unless otherwise agreed. The purchase order number and item numbers, and all other order and dispatch data shall be indicated on the invoice. In relation to Services rendered the Seller shall provide the relevant evidence (e.g. time sheets, reports), which must be attached to the respective invoice. A separate invoice shall be issued for each Agreement. The Buyer reserves the right to reject any invoices that do not comply with these requirements. In such a case, no invoice shall be considered to have been issued until the Buyer receives a correct invoice complying with the requirements stipulated herein and/or the Agreement.

10. Payment

- 10.1 Unless otherwise agreed, payments shall be made net within 60 days upon receipt of the invoice. If the Buyer detects any defects in the Products, payment shall not be due until the defects have been fully remedied. The Products shall be deemed incomplete if the agreed documents and/or certificates have not been submitted by the delivery date of the Products, and payment shall be postponed until such documents will be provided in accordance with the Agreement.
- 10.2 Assignment of claims or reservations of title shall not be made without the Buyer's prior written consent.
- 10.3 If advance and/or milestone payments are agreed between the parties, the Seller undertakes to use these payments to pay third parties supplying materials required for the manufacture of the Products. These materials shall be considered as materials provided by the Buyer.



11. Confidentiality and Intellectual Property

- 11.1 The information contained in the Buyer's enquiries or documents, the attached drawings and drafts as well as any patterns, samples, materials, data, software or other information of a technical or commercial nature (the "Confidential Information") shall be kept confidential and must not be disclosed to third parties without the Buyer's prior written consent. Any Confidential Information and any intellectual property rights vested therein shall remain the Buyer's property and may not be used for any other purpose than performing the Seller's obligations under the Agreement. All Confidential Information provided to the Seller must be returned with the offer or after the Agreement has been executed without any request having to be made by the Buyer. All drawings, calculations and other technical and commercial information prepared by the Seller or on the Seller's behalf in relation to the Agreement shall become the Buyer's property. The Agreement and all information pertaining to it shall be confidential and shall not be disclosed to third parties.
- 11.2 The Seller shall not be entitled to name a project or the Buyer as a reference or to make publications without the Buyer's prior written consent. The Seller shall be liable for damages in the event of a breach of this clause 11.

12. Order of precedence

- 12.1 Any annexes to the purchase order shall form an integral part of the Agreement.
- 12.2 In case of a contradiction in the documents constituting the Agreement, the following order of precedence shall apply:
1. The purchase order and its annexes (in the order of their numbering)
 2. Special technical and/or commercial conditions
 3. These General Purchasing Conditions

13. Place of Performance/Severability/Applicable Law and Jurisdiction

- 13.1 The place of performance for payment shall be the residence of ANDRITZ Gouda B.V., Waddinxveen.
- 13.2 Whenever one or several provisions of the Agreement become (partly or totally) invalid, ineffective or unenforceable, this shall not affect the validity, effectiveness or enforceability of the remaining provisions. An invalid, ineffective or unenforceable provision shall be deemed replaced by a valid, effective and enforceable provision that comes closest to the intended economic result.
- 13.3 All disputes arising in connection with the Agreement, or further agreements resulting therefrom, shall be settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute. The arbitral tribunal shall be composed of one arbitrator/three arbitrators. The place of arbitration shall be Rotterdam. The language to be used in the arbitral proceedings shall be Dutch or



English, at the Buyer's choice. The Buyer shall also be entitled to bring any claim before the competent court of Rotterdam.

- 13.4 The Agreement is governed by and construed in accordance with Dutch law. The application of the UN-Convention on Contracts for the International Sale of Goods and the conflict of law rules shall be excluded.

14. Other Provisions

- 14.1 Any materials provided by the Buyer shall remain its property and shall be marked as such and stored separately. All new or modified Products including semi-finished Products which result from the processing and use of these materials shall become the Buyer's property.
- 14.2 The Seller shall obtain the Buyer's approval for all major subcontractors or sub-suppliers before a purchase order will be placed. The Seller shall be liable for its subcontractors and suppliers and shall indemnify and hold the Buyer harmless from any third party claims arising out of or in connection with the acts or omissions of the Seller's subcontractors and sub-suppliers (incl. product liability claims, in which case the Seller shall provide all information and documents on the respective manufacturer or importer of the Product).
- 14.3 The Buyer shall be entitled to inspect the manufacturing of the Products at the Seller's or its sub-suppliers' workshops upon prior notice. The cost of such inspections shall be borne by the Seller except for the Buyer's and/or third party's personnel costs. If these inspections have to be repeated for reasons attributable to the Seller, any costs in relation thereto shall be to the Seller's account.
- 14.4 The Seller shall promptly notify the Buyer of any change in the company structure, the company name, the company's representatives, the initiation of insolvency proceedings or a similar proceeding per registered mail.
- 14.5 The Buyer shall be entitled at any time to take over any material which has been purchased for the execution of the Agreement, any engineering or parts already manufactured at usual market prices.
- 14.6 If deliveries cannot be made at the agreed delivery date for any reasons whatsoever, the Seller shall store the Products properly at its risk and expense for a period of 6 months.

15. ANDRITZ Supplier Code of Conduct and Ethics

The Seller herewith confirms that:

- It has received and read a copy of the ANDRITZ Supplier Code of Conduct and Ethics ("Supplier Code"), which is published on the ANDRITZ website at www.andritz.com;
- It undertakes to comply with the Supplier Code and agrees that it shall form the basis of present



and future business with ANDRITZ (ANDRITZ AG and its affiliates);

- The Supplier Code shall form part of any Agreement entered into between the Seller and any ANDRITZ company, regardless of whether it is expressly incorporated into the Agreement by reference or not;

- It shall be held responsible for ensuring compliance with the Supplier Code by its employees, company representatives, as well as subcontractors and any business partners that the Seller is using to supply Products and/or Services when doing business with ANDRITZ.

ANDRITZ reserves the right to terminate the business relationship or Agreement in the event of a major breach of the rules laid down in the Supplier Code. The Seller shall indemnify and hold ANDRITZ harmless from and against any and all damages arising out of a breach of the Supplier Code.

16. Export Control

The Seller shall be obliged to obtain all required export licenses, in particular for the export of the Products to the country of the end customer, associated with the Agreement at its own expense. The Seller shall guarantee the complete delivery of the Products when the purchase order is placed and shall guarantee that there are no legal or other impediments to the fulfillment of the Agreement. The Seller shall inform the Buyer of any new export bans or limitations in due time after the conclusion of the Agreement and shall present alternative proposals free of charge as early as possible. The Seller undertakes to notify the Buyer upon placing the purchase order if the shipment contains Products listed in the DUAL-USE list (COUNCIL REGULATION (EC) No 428/2009), if it is subject to authorization or if it is forbidden according to the Foreign Trade Act, the Safety Concept or other export permissions/prohibitions (especially for RU, BY and IR, and always as amended), as well as the US-export, the US-re-export and the US embargo laws. The Seller shall disclose the HS Code (8-digit customs tariff number), the ECCN number (Export Control Classification Number) and the AL-number. The Seller shall promptly notify the Buyer if the Products were not subject to an export authorization or were not included in the DUAL-USE list at the time the purchase order was placed, but have become subject to authorization or were admitted to the DUAL USE LIST thereafter. This also applies if the Seller has learned of other impediments to or restrictions of export. In the event of a re-export of the Products, the Buyer will comply with all foreign trade law provisions worldwide (see section 4 of the ANDRITZ Code of Conduct and Ethics) and is in principle not obliged to provide the Seller with an End-Use certificate (EUC). According to the Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine, the Seller commits not to utilize any iron- and steel products originating from Russia in case they are listed in Annex XVII of Regulation (EU) 833/2014 in its latest version.