

# General Purchase Conditions

## 1. Scope; completion of the contract

1.1 Each purchase by Voith in goods, services and performance is exclusively governed by the following General Conditions of Purchase, unless otherwise agreed. General conditions of the Supplier never find application against Voith, even when they have not been expressly rejected or goods, services, or performances ordered have been accepted without reservation.

1.2 Unless otherwise agreed, both orders and order confirmation of Voith's supplies shall be in writing. Unless otherwise agreed, the order confirmation shall be on the form specifically arranged by Voith.

1.3 Oral agreements are valid only if confirmed in writing by Voith. Written form shall also include transmission by data transfer and telefax.

1.4 As long as the order confirmation is not received by Voith, the order can be revoked at no charge.

## 2. Delivery, consequences of delay

2.1 Agreed delivery terms are binding and always set out in the interest of Voith. Every circumstance which prevent to meet the deadline shall be immediately notified to Voith. The receipt of goods or completion of service or performance at Voith's premises or at the place specified in the order or ("place of performance") determines whether the delivery time has been met.

2.2 Partial deliveries require approval from Voith.

2.3 The Supplier undertakes that supplied goods or its parts can be bought by Voith in normal market conditions for a period of 15 years after the last delivery. If the Supplier intends to discontinue supplying such goods or spare parts, he shall give written notice to Voith and give Voith the opportunity to place a final order.

2.4 Unless otherwise agreed, in case of delay with respect to the agreed terms, Voith shall be entitled to claim from the Supplier as a contractual penalty clause and without the need to prove the suffered damage, the amount of 0.5%, but a maximum of 5%, of the total order value for each full week of delay.

In addition, Voith shall be entitled to claim statutory rights. Acceptance of delivery of goods or services beyond the agreed term does not constitute a waiver of the compensation. The Supplier shall be liable to pay the above even if the supply of goods or services was accepted without reserve.

## 3. Prices, invoicing, payment, transfer of risk

3.1 The price specified in the order shall be binding and cannot be increased. Unless otherwise agreed, prices are always ex works/indicated place (as per DAP Incoterms 2010 ex works Voith) packaging included. VAT not included in the price.

3.2 Invoices are minded rejected if, as specified in the order, do not report the order number and any other reference information. The consequences arising from the breach of the obligation to correct billing shall be borne by the Supplier unless it proves that it is not to blame for said failure.

3.3 Unless otherwise agreed, invoices shall be settled within 14 days with 3% discount or in net within 30 days from the date of receipt of the invoice and the delivery of the supply of goods and services/performances.

3.4 The risk of accidental loss or accidental deterioration of the goods is transferred to Voith at the time of acceptance and in the place where the goods, as per the order, must be delivered.

## 4. Acceptance/Verification/Testing

4.1 If the Supplier has to perform a work or supply a work, a formal acceptance of it from Voith is always required. Should the verification of the work or of the supply need a commissioning test, the acceptance shall be done after a positive commissioning test (free of defects). The acceptance is performed at Voith's choice or at the Supplier's work or at the delivery place.

4.2 Unless otherwise agreed, the acceptance as well as verification and commissioning are performed throughout editing of a proper declaration.

Payments that could be made without reserve don't entail acceptance, neither partially, neither represent authorization of the supplied goods neither entail quit-claim of warranty claims.

4.3 When it is called for verification or commissioning of supplied goods or/and services or parts of them by concerned public authorities, these shall be performed at the Supplier works unless otherwise agreed.

4.4. every expense concerned or related to acceptance/verification/commissioning is borne by the Supplier.

## **5. Shipment**

5.1 The delivery of goods must be notified to Voith at the latest upon departure from the work of the Supplier. All shipment documents, waybills, and parcel labels shall indicate the shipping address, Voith's order number, including the item number. Shipments for which Voith has to bear the costs should be performed at the lowest freight rate or according to Voith's shipment instruction. Shipment instructions, and in particular the place of delivery, which is also the place of performance, should be stated in the order.

5.2 In order to prevent shipping damage due to lack or inadequate safety of the load, the Supplier shall make sure that the carrier has secured the load with a proper security system.

## **6. Packaging**

6.1 The Supplier undertakes to ship the goods included in the supply only in packaging that by type, shape and size are environmentally friendly and that complies with time to time in force packaging regulations applicable to such specific goods.

6.2 The Supplier is obliged to take back free of charge all sorts of packaging that can be reused or recycled in authorized by law waste disposal plants. Voith undertakes to handle with care any reusable packaging and to make it available to the Supplier in good condition.

## **7. Notice of defects**

7.1 Insofar and in the manner and time technically possible, Voith shall provide to check incoming supplies in relation to quantities, damage in transit and obvious defects. Any defects shall be reported to the Supplier within eight working days from their discovery. In any case, the Supplier waives the argument of

receiving delayed reporting of defects of supplied goods.

## **8. Guarantees / Supplier's liability**

8.1 The Supplier guarantees that supplied goods and services are free from defects and malfunctions and free from any limitation due to a legal imperfection in title (even partial eviction; danger of claims, encumbrances of any kind and any nature; limitation of licenses).

8.2 By accepting the order the Supplier further guarantees that ordered goods and services are suitable for the purpose and the place that was communicated by to the Supplier.

8.3 In case of defect or limitation of the use of provided goods and services, Voith is entitled to statutory claims without any restrictions whatsoever. Different agreement are valid only if stated writing and at risk of ineffectiveness.

8.4 Voith shall have the right to choice between the different actions of warranty. In case that the Supplier, notwithstanding a formal notice of Voith, fails to remedy the defects or to replace the defective delivery, Voith shall have the right to carry out the remedy, directly or through third parties, but at the expense of the Supplier and in particular in order to limit the risk of further damage. Voith shall have the same right in case of non-resolving repairs or refusal by the Supplier to eliminate the defects or to replace the delivery.

8.5 By accepting the order, the Supplier undertakes to indemnify and keep Voith indemnified by any alleged breach of third parties' rights relating to the supply of ordered goods and services. The obligation to indemnify is related to any loss, cost, damage or expense or consequences of economic kind that could arise on Voith from actions of third parties by reason of the supply or part thereof.

8.6 Claims for defects shall become time barred - except in cases of intention to deceive - in 36 months starting from the date of transfer of risk, unless otherwise agreed in writing and at risk of ineffectiveness. In case of substitute supplies, the goods delivered as a replacement, are under a new warranty period of 36 months from the date of delivery.

8.7. The Supplier undertakes to bear all installation and removal costs as well as transport costs to and from the place of use both in case where the performance due by the Supplier includes installing or in case where such costs are due to deficient

delivery/performance. Voith therefore advises the Supplier to take out special liability insurance for installation, removal and transport costs to and from the place of use with coverage of at least €250,000.00 per individual case.

## **9. Software**

9.1 Voith shall obtain the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features and to the extent necessary for ensuring use of the software in compliance with the contract or permitted by law.

9.2 Before the software is shipped or installed on a Voith's system of or its end costumers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programmes.

## **10. Quality assurance**

10.1 The Supplier undertakes to warrant permanent quality assurance for its goods and services by means of installation of an adequate quality assurance system, e.g. DIN EN ISO 9001 ff or similar and undertaking of quality tests and checks that are prescribed by Voith or are otherwise suitable during and after production of its deliverables. The Supplier shall create documentation on these tests and checks.

10.2 Voith shall have the right to require proof of the quality assurance system installed at the Supplier, to satisfy itself of how the quality tests and checks are carried out on site, including if applicable at subcontractors' premises and to conduct audits at the Supplier's site.

10.3 Without being requested to do so, the Supplier shall immediately inform Voith of changes in the composition of the processed material or design of its deliveries or services. The changes shall require the written consent of Voith.

10.4 If the Supplier supposes to get third parties to perform services or supplies, completely or in a large part, he is requested to give Voith a preventive communication. The assignment of appointment requires Voith's approval.

10.5 The quality assurance policy of Voith disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

## **11. Requirements for marketing products; product liability**

11.1 If it supplies products which fall under the scope of application of a European Directive for first-time placing on the market, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., the Supplier undertakes that it shall comply with the relevant health and safety requirements and processes specified in them. If provided for in these Directives, the Supplier shall issue an EC declaration of conformity for its products and shall affix a CE mark.

In case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide Voith with a declaration of incorporation according to Annex II B of the EC Machinery Directive in the form requested by Voith (extended declaration of incorporation) as well as in addition provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive. If requested by Voith, the Supplier shall at Voith's discretion either allow Voith to inspect the risk assessment created by it or shall provide it to Voith.

11.2 In case of product liability that causes damages outside the supplied goods or injuries or health damages the Supplier shall be liable without limitation as per product liability law. If claims are asserted against Voith pursuant to product liability law, the Supplier shall be obliged to indemnify Voith in this regard against claims for damages by third parties at the first time of request.

11.3 As part of its liability under Section 11.2, the Supplier is also obliged to reimburse any expenses incurred by Voith from or in connection with a warning issued or recall conducted by Voith.

Where possible and reasonable, Voith shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier.

11.4 Voith advises the Supplier to maintain product liability insurance to cover the risks from Sections 11.2 and 11.3, with coverage of at least 1,000,000.00 Euros per damaging event.

## **12. Safety; protection of the environment**

12.1 The Supplier shall ensure that its deliveries and services meet the environmental protection, accident prevention work safety regulations and that they are in compliance with any further or relevant regulations in order to avoid or reduce harmful impacts on human beings and environment in force at the premises of Voith or other by the Supplier known place of

performance. If Voith points out such regulations at said premises or place to the Supplier. To this end, the Supplier shall install and enhance a management system, e.g. DIN EN ISO 14001 or similar. Voith shall have the right, if applicable to require proof of the management system installed at the Supplier and to conduct audits at the Supplier's site.

12.2 The Supplier has to comply with the relevant provisions on the handling and placing on the market of hazardous goods as included amongst other in the EC Directive 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), the law on Chemical Substances and the ordinance on hazardous substances. The Supplier further has to observe the relevant provisions on the disposal of waste and recycling material and point out any product handling, product storage and disposal requirements to Voith.

### **13. Models and tools; confidentiality**

13.1 Any models and tools which are produced by the Supplier by order and at Voith's expense are property of Voith and cannot be used to produce the same goods in the interest of third parties without the express written approval of Voith.

They shall be treated with care by the Supplier, indicated as property of Voith and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage.

13.2 Documents, drawings, plans and sketches and other know-how of Voith which Voith entrusts to the Supplier for producing the ordered delivery and/or service, in whatever form (in writing, by fax, by e-mail or on electronic data carrier) shall remain the property of Voith.

They are trade secrets of Voith and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to Voith immediately upon completion of delivery.

### **14. Personal Data treatment**

14.1 As per Decree Dlg. 196/2003 (personal data protection code) Voith may collect and process personal data of the Supplier to perform the agreement. By signing these general terms and conditions, the Supplier confirms that he was fully informed of the

rights stated in art. 7 of the above mentioned code. The data processor is Voith Paper Srl via Daniele Manin 16/18 I-36015 Schio (VI) in the person of its legal representative pro-tempore of the responsible, or treatment from time to time in office..The collected data will be shared with companies in the same group or with third parties such as, e.g., financial institutions, provided that the purpose of treatment is limited to the performance of the agreement.

### **15. Export Control**

15.1 If requested to do so by Voith, the Supplier must submit a Supplier's declaration to satisfy the requirements of EC Directive 1207/2001 as amended and supplemented by EC Directive no. 1617/2006 The Supplier must provide Voith with it in good time, at the latest on the acceptance of an order. If long-term Supplier declarations are used, the Supplier must notify Voith of any changes in originating status when an order is accepted. The actual country of origin must be stated on the shipping documents in all cases, even if no preferential status applies.

15.2 The Supplier must inform Voith of any approvals required on the (re-)export of its goods by internal, European, US or other applicable export or customs regulations. For this purpose the Supplier will, insofar as this was not already provided in its offer, supply the following information next to the relevant item references at Voith's request when an order is accepted and on every delivery note:

- The commodity code (HS code)
- The AL number (export list number) in accordance with Annexes I and IV of the EC Dual-Use Regulation No. 1334/2000 or Part I of the export list (Annex "AL" of the German Foreign Trade and Payments Regulation (AWV))
- The ECCN (Export Control Classification Number) in accordance with US export law.

15.3 At Voith's request, the Supplier shall be obliged to inform Voith in writing of all further foreign trade and its components, as well as inform Voith immediately in writing of all changes to the data specified in Section 15.2.

15.4 If details in accordance with the previous sections are not provided or are provided incorrectly, Voith shall, without prejudice to further rights, be authorised to rescind the contract.

## **16. Variation in economic conditions of the Supplier**

16.1 If financial conditions of the Supplier becomes liable to endanger the proper performance of the supply or if it is filed for bankruptcy or other insolvency proceedings, Voith has the right to suspend payments or to terminate the contract and claim for take-over in contracts between the Supplier and its sub-contractors.

## **17. Entrepreneurial responsibility; Code of Conduct**

17.1 The Supplier declares its commitment within the scope of its entrepreneurial responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labour law and laws on the safety of employees, and does not tolerate child or forced labour in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. For this reason, reference is made to Voith Group "VOITH Code of Conduct", downloadable at <http://www.Voith.com>. Voith demands the Supplier to acknowledge to have to comply with the there stated rules and principles and demands the Supplier to sustain Voith in the observance of them.

## **18. Applicable law, Place of Jurisdiction**

18.1 Each contract with Voith regulated by these General Purchase Conditions shall be exclusively subject to Italian Law. The U.N. Convention on International Sale of Goods shall not apply (Vienna, April 11, 1980).

18.2 As an exception to the provisions of the Italian Civil Procedure Code and international conventions on judicial competence, any dispute arising from and/or related to the contractual relationship governed by this Terms and Conditions, including dis-

putes relating to extra contractual claims, the place of jurisdiction with territorial competency is the one in which Voith has its registered office. Voith, however, shall have the right to commence legal proceedings in the courts with territorial competency for the registered office and / or the operative headquarter of the Supplier.

## **19. Final clauses**

19.1 The assignment of claims without the express written approval of Voith shall be excluded.

19.2 Any reference to written form shall be considered *ad substantiam*.

19.3 If individual provisions of these General Purchase Conditions are or become invalid in full or in part, this shall not affect the remaining provisions.

Signature

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The Supplier (stamp and signature)

As per articles 1341 and 1342 It. Civil code, the Supplier expressly declares to accept the following conditions:

1.1 (scope; exclusion of General terms of others); 1.2/1.3 (mandatory written form); 2.1 (terms set out in the interest of Voith); 2.2 (need of approval for partial deliveries); 2.3 (requirement to keep long time availability of sold goods/spare parts; requirement to written report in event of discontinuation of production/marketing of goods); 2.4 (contractual penalty clause for delay); 3.1 (price immutability; price "Ex works"); 3.3 (term of payment); 3.4 (commencement of transfer of risk); 4.4 (acceptance/verification/testing expenses) 5.1 (requirement to report of goods' shipment); 6.2 (requirement of free of charge collection of packages); 7.1 (renounce to the objection of forfeiture for delayed reporting of defects of supplied goods); 8.4 (right to provide directly or through third parties at the expense of the Supplier); 8.5 (obligation to indemnify any claim of third parties); 8.6 (three year limitation term and commencement of the term; duration of warranty for replaced parts); 10.1 (requirement to maintain quality standards; right of testing); 10.3 (requirement to report changes in materials); 10.4 (preventive authorization for assignment of appointment); 11.2 (obligation to pay compensation at simple request of claims by third parties); 11.3 (obligation to reimburse expenses incurred in connection with a warning or recall of defected goods); 12.1 (requirement to install a management system like DIN EN ISO 14001 or similar); 13.1 (compulsory insurance against risks of loss/damage of models and tools); 15.4 (right to withdrawal from the contract in case of failure, incorrect or incomplete reporting for export); 16.1 (right to suspend payments or to terminate the contract and claim for takeover in contracts between the Supplier and its subcontractors in case of Variation in economic conditions of the Supplier); 18.1 (application of Italian law); 18.2 (Place of jurisdiction; Voith's right of choose); 19.1 (prohibition of credit's assignment); 19.2 (*ad substantiam* written form)

Signature

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The Supplier (stamp and signature)