

voestalpine Terms and Conditions for the Purchase of Products and Services (Version 9th July 2018)

The contractor herewith accepts the following stipulations and the Code of Conduct for voestalpine Business Partners (which can be found at <http://www.voestalpine.com/group/en/group/compliance/> and commits himself to adhering to them, unless diverging regulations have been agreed on as regards the following conditions.

1. Orders

Only orders that have been awarded in written or by fax are deemed legally binding. All other agreements require our written confirmation. When the contractor initiates the execution of the order within 14 days after the date of dispatch of the order, the order is deemed accepted without reservation. Deviations from the text of the order, as regards technical or commercial issues, must be clearly mentioned in the order confirmation, and they require our written acceptance in order to become legally binding, as do any subsequent amendments made by the contractor. The contractor's terms of delivery shall only apply when they are expressly acknowledged in writing by voestalpine.

2. Quality, Safety and Environmental Management

In the execution of his goods and services, the contractor commits himself and his sub-contractors/sub-suppliers to applying all relevant principles and standards through a certified quality, environmental and safety at work system (mandatory ISO 9001 and for automotive materials IATF 16949 and preferably IATF 16949, ISO 14001, EMAS, OHSAS 18001/ISO 45001, BG Seal of Approval, or similar).

voestalpine reserves the right to review (audit) the contractor's quality and environmental management system, as well as that of his sub-contractors/sub-suppliers at agreed times, and to demand from the contractor the implementation of any necessary corrective or preventive measures.

3. Mandatory requirements

Material shall be supplied in accordance to:

- RoHS Directive 2011/65/EC (amending 2002/95/EC), Commission Delegated Directive 2015/863/EC (amending Annex II of Directive 2011/65/EC) and subsequent amendments;
- Directive 2002/96/EC (treatment, recovery and recycling of electric and electronic equipment);
- Directive 2013/59/Euratom and D.Lgs.241/00 (laying down basic safety standards (BSS) for protection against the dangers arising from exposure to ionizing radiation and repealing Directives 89/618/Euratom, 90/641/Euratom, 96/29/Euratom, 97/43/Euratom and 2003/122/Euratom);

voestalpine Wire Italy s.r.l.

- Directive 2003/11/EC amending 76/769/EEC (absence pentabromodiphenyl ether, octabromodiphenyl ether);
- REACH Regulation n° 1907/2006 (Registration, Evaluation and Authorization of Chemicals) and subsequent amendments;
- “Conflict minerals” Directive based on “Dodd-Frank Wall Street and Consumer Protection Act” of 2010 (Dodd-Frank);

In addition the supplier is required to issue a test certificate 3.1 in accordance to UNI EN 10204 certifying the conformity to the contractual requirements/specifications. The number of the coils shall be indicated showing heat number, steel grade and diameter.

4. Prices and Packaging

Unless otherwise defined in the order, the following pricing shall apply: the prices are net prices, DDP named place of destination, in accordance with INCOTERMS 2010, excluding VAT, incl. documentation, technical inspection, coating, corrosion protection, marking, lettering etc. Alternatively, the contractor shall offer price reductions for deliveries FCA manufacturer's factory in accordance with INCOTERMS 2010. The supplies, except otherwise agreed, must be packaged appropriately, properly, and as is customary in the industry. Wood imported into the EU and used in packaging must specifically comply with the International Standard for Phytosanitary Measures (ISPM No. 15). Loading tackle and packaging material shall become voestalpine property. Return shipments will be effected at the contractor's cost and risk. The transfer of ownership shall take place simultaneously with the transfer of risk as foreseen in INCOTERMS 2010.

4. Delivery Time

All deadlines (including intermediate deadlines) and dates are deemed firm and binding. In the event of missed deadlines resulting in imminent danger, damage or economic disadvantages, voestalpine shall be entitled to substitute the performance at the contractor's cost and risk. The contractor shall inform voestalpine prior to initiating any work. Whenever the contractor recognizes that he will not be able to adhere to the agreed deadlines and dates, he shall be obliged to notify voestalpine immediately in written by stating the reasons and the expected duration of the delay. Delivery dates are deemed complied with only when all necessary documents (e.g. technical, shipping, test documents) have been supplied completely, correctly and in good order. The delivery date of the documentation is deemed to be the date on the date stamp when voestalpine received the documentation or the date of voestalpine confirmation of receipt.

The fulfilment date for goods and services shall be the date when the contractor fully completes all his obligations, especially those relating to documentation. In the event that with a specific order, voestalpine also has a duty to co-operate or fulfil certain requirements in connection with deadlines, the contractor

shall be obliged to remind voestalpine thereof in a documented and timely manner. Should he fail to do so, the contractor shall have no right to claims in the event of delays in connection with his goods and services. Whenever delays are foreseeable or actually occur, the contractor shall be obliged, irrespective of the cause thereof, to adjust the execution of the order with such flexibility that the delays are reduced to the minimum possible.

5. Contractual Penalties, Delays

When the contractor exceeds the time limits agreed in the order and its integral parts, or does not adhere to deadlines, or intermediate deadlines, or does not comply with agreed characteristics, he shall be obliged.

Unless otherwise explicitly agreed in written - to pay contractual penalties that shall be calculated on the gross total value of the order. voestalpine shall be entitled to deduct contractual penalties, independent of fault and without the need to prove actual damage, from outstanding invoices, or from the contractor's accounts receivable from voestalpine. voestalpine shall, at its own discretion, also have the right to demand payment of such contractual penalties at a later time.

The contractor shall pay a contractual penalty of 0.15% of the total order value for each calendar day that he falls in arrears. However, the total amount of the contractual penalty shall be limited to 5% of the total order value. voestalpine right to assert additional claims relating to delays, even in cases of minor negligence by the contractor, shall not be affected thereby. The payment of contractual penalties shall not relieve the contractor from his obligation to comply with his contractual obligations, liabilities or obligations resulting from guarantees.

6. Shipment and Customs

The delivery conditions and shipping instructions are specified in each individual order. Delivery of goods:
Monday - Friday, from 8.00-12.00 a.m. 1.30- 4.30 p.m.

In the event of unclear matters as regards delivery conditions, please contact the relevant Procurement Department, and in the case of shipping instructions, the Customs Section.

Furthermore, in the case of shipments from abroad, a commercial invoice (twofold) and a valid proof of preferential origin (such as movement certificate, certificate of origin, etc.) must be included and be attached to the freight documents.

The complete order number and the indicated place of delivery must be clearly visible on the bills of lading, on the shipping documents intended for the consignee, and on the packages themselves (lettering, adhesive labels). All shipping documents, invoices, etc. must include the total weight (gross weight and net weight).

Transport insurance will only be covered by voestalpine when this has been explicitly agreed. Any ancillary expenses relating to the execution of an order and that are not taken into account either in agreements

or in INCOTERMS 2010, shall be borne by the contractor. Furthermore, and depending on the individual case, the shipping and packing guidelines, as well as instructions and requirements by the Customs Section form an integral part of these Terms and Conditions.

In the event that our instructions relating to shipping, packaging, customs clearing and documentation are not adhered to, all resulting risks, damage and costs shall be borne by the contractor, and the date of the invoice settlement shall be deferred until completion, or when all missing documents are presented.

7. Packaging

You commit yourself to using the most environmentally friendly and least wasteful materials in the packaging of your products. Packaging material that is considered hazardous waste shall be returned to you at your own expense, or we shall charge you with its cost of disposal. Special agreements are exempted thereof.

8. Guarantee

The contractor guarantees that the goods and services will be supplied in an appropriate and professional manner. Unless otherwise agreed, the guarantee period for defects shall be two years after final acceptance. Final acceptance takes place after the contractor's goods and services have been supplied in accordance with the order, all documents are correct and complete and made available, and the acceptance report has been signed by both parties. The guarantee period shall in no case exceed three years after the proper and complete delivery.

When the contractor does not comply with his obligations within the period stipulated by us, we shall be entitled to remedy deficiencies or damage on our own, or have them remedied by third parties at the contractor's expense, irrespective of our other rights. The contractor's obligations are not affected thereby.

A notice of defects shall be deemed delivered in time in the following cases:

- a) Obvious defects, up to 3 months after the end of the guarantee period.
- b) Hidden defects up to 2 months after they have been identified. In cases when goods usually remain unpacked until they are used, defects that only become visible after they have been unpacked are deemed hidden defects.
- c) As far as replacement deliveries or repairs are concerned, the guarantee period shall start anew and the agreed duration of the guarantee applies.

9. Liability

The contractor assumes unlimited liability in accordance with the Federal Act on Product Liability (Produkthaftungsgesetz). voestalpine does not accept limitations to claims for compensation that is due under this law or under any other regulations.

10. Rescission/Substitute Performance

When the contractor fails to comply with material contractual obligations in whole or in part (e.g. also including failure to meet intermediate deadlines of the planning and manufacturing process), then, notwithstanding the provisions set forth in Clause 5 'Contractual Penalties, Delays', voestalpine may withdraw in whole or in part from the contract after setting a reasonable grace period.

voestalpine shall especially be entitled to withdraw from the contract when the assured characteristics are not met.

11. Invoicing

Invoices must be presented in duplicate and with the shipping notice or the delivery note attached. Invoices for constructions must be supplied in triplicate. The invoices must clearly show the order number, our partner number etc., and invoices for services must include a confirmation of performance. Irrespective thereof, clause 6 applies to shipments that are subject to customs clearance.

In cases of domestic business, the invoice must indicate the VAT percentage, and the VAT amount must be shown on all invoices whose value exceeds EUR 100. The invoices must be addressed to voestalpine. When an invoice is addressed differently, it shall only be considered received, when it is actually delivered to voestalpine.

12. Payment

Unless otherwise agreed, we effect payments, at our discretion, within 45 days, less 2% discount, or 90 days net, after receipt of the invoice and when the goods/services have been properly supplied, or with our own 3 months acceptance, or notes receivable. voestalpine reserves the right to extend his acceptance once, by a further 3 months.

The contractor agrees that amounts payable and receivable of any kind can be offset against each other. The right of offsetting amounts also applies to amounts payable and receivable of companies that belong to the same group as voestalpine.

The assignment of contractor's receivables is only permissible with our explicit written consent. Cash-on-delivery shipments are not accepted (except in cases of a specific written agreement). Any complaints relating to goods/services entitle us to retain payments that are due. Interest on arrears is deemed agreed with 5% p.a.

13. Inquiries, order documentation, confidentiality

All attachments to our inquiries or orders (e.g. plans, samples, models, etc.) remain our property and may not be used for any other than the intended purposes without our written consent. They must be

automatically returned to us with the offer, or when the order has been fulfilled. The order shall not be used for advertising purposes. The order and all data, documents, etc. related to it shall be treated confidentially and as our business secrets. No compensation shall be paid for the preparation of offers, plans, etc. that are related to our inquiry. The submission of an offer comprises the implicit consent that the documentation of the technical offer etc. can be transferred to engineering partners for technical review, with the assurance of confidentiality and non-transferability of such documents, albeit without liability from our side. The offer documentation is not returned.

14. Minimum Salary

The contractor commits himself to adhering to the stipulations of the Law for the Regulation of a General Minimum Wage (MiLoG). On request, the contractor shall be obliged to immediately prove adherence to the obligations concerning the payment of salaries to employees who are involved in the execution of our order. In this regard, the contractor shall provide all up-to-date and auditable supporting documents (e.g. payslips).

When the contractor uses sub-contractors for the execution of our order, he commits himself to engaging sub-contractors only when these have consented to be bound by these obligations, and to transfer these obligations to their sub-contractors. The contractor shall be obliged to review the proper payment of salaries and wages by his sub-contractors to their employees, and to provide us, on request, with all supporting documents without delay.

In the event that we are held liable for contraventions of the contractor, or of any sub-contractors, against the Posting of Workers Act or the Law for the Regulation of a General Minimum Wage, the contractor shall hold us harmless from any liabilities and claims.

15. Miscellaneous

- a) voestalpine reserves the right for itself, the end-user and/or his test personnel to perform checks on the deadlines, as well as reviews of technical intermediate and final tests (also reviews of the packaging), in the contractor's and his sub-contractor's offices, production sites and warehouses, at all times during the stages of design, planning, production and shipping preparation. The reviews and tests shall not relieve the contractor from his responsibilities.
- b) The contractor must notify voestalpine of all sub-contractors, with the exception of those who supply standard parts and components, and obtain voestalpine consent to use them.
- c) The contractor shall hold us harmless for any claims in connection with the fulfilment of an order and that relate to patents and other rights of third parties.

16. Severability Clause

Should individual provisions of the contract or of these Terms and Conditions for the Purchase of Products and Services be invalid, ineffective, illegal or unenforceable, this shall have no influence on the validity of the remaining provisions hereof.

17. Legal venue

The place of jurisdiction shall be the competent court of law for Nervesa della Battaglia; or at its discretion, the competent court of law at the contractor's place of business. The contractor shall be obliged to confirm to us the existence of this agreement on the legal venue at any time on request.

18. Applicable Law

When disputes on the interpretation of these Terms and Conditions for the Purchase of Products and Services arise, or concerning any circumstances not regulated in these Terms and Conditions for the Purchase of Products and Services, Italian law, excluding the relevant provisions on Conflict of Laws and the UN Sales Convention latest version, applies exclusively.

19. Correspondence

Complete order details (e.g. order number), letter reference, and the dates of previous correspondence must be indicated in all correspondence. All queries must be exclusively directed to voestalpine.