

## PAUWELS TRANSFORMERS NV - GENERAL PURCHASING CONDITIONS V1.0 – Dated 01.05.2021

### 1. Scope

Except if agreed otherwise in writing by PAUWELS, all orders placed by PAUWELS with a Supplier shall be governed exclusively by the present general purchase conditions. Supplier shall mean each person or entity (including, where relevant, its affiliates) that enters into an Agreement. By accepting the purchase order of PAUWELS, supplier finally and irrevocably waives application of its own general or special terms and conditions to such Agreement.

### 2. Acceptance of orders

**2.1.** Orders may be issued by PAUWELS to the Supplier in writing by post, fax or e-mail or EDI and shall be considered to be accepted and to constitute an Agreement between the parties if the Supplier does not inform PAUWELS within three working days including the day the order was received that it does not accept the order or if PAUWELS does not cancel the order within the same period.

**2.2.** When Supplier accepts PAUWELS order, either by acknowledgement, delivery of any Goods and /or commencement of performance of any other Services, a binding contract shall be formed. Such Agreement is limited to the terms and conditions specified under this Agreement. PAUWELS does not agree to any proposed addition, alteration, or addition by Supplier. This Agreement can be varied only in writing signed by PAUWELS. Any other statements or writing of Supplier shall not alter, add to, or otherwise effect this Agreement.

**2.3.** Each order issued by PAUWELS shall have an order number. Orders are deemed to be received on the day issued if they are issued by fax or e-mail before noon, on the next working day if issued after noon, and two working days later if sent by post alone. Any order that is not signed by a duly authorized PAUWELS employee, signatures of whom shall be communicated to the Supplier upon request, is invalid and any execution of such order is at the sole risk and expense of the Supplier.

### 3. Price and payment

**3.1.** The purchase price stipulated on PAUWELS order includes packaging, transport, insurance and import duties to the place of delivery but VAT is excluded. Such purchase price is fixed and shall not be affected by any indexation; price increases of any nature or currency rate fluctuations. PAUWELS reserves the right to pay invoices in Euro or in the agreed national currency, in conformity with legal and regulatory provisions, without this constituting any other modification of the parties' rights and obligations. Further INCO terms latest edition are applicable. All prices quoted in this Agreement shall be fixed prices. Supplier warrants that such prices are not in excess of the lowest prices charged by Supplier to other similarly situated customers for similar quantities of Goods or Services of like kind and quality.

**3.2.** The Supplier's invoice must include PAUWELS order number, orderline, article number, PAUWELS warehouse code number and any supplementary information requested in the purchase order and be provided to PAUWELS in duplicate, failing which it shall be refused and returned to the Supplier.

**3.3.** The Supplier's invoices are payable 60 days end of month of the later of either delivery of the goods or reception by PAUWELS of the invoice. PAUWELS reserves the right to make early payment, under deduction of a discount equal to the annual rate applied by the Belgian National Bank at the date of invoice plus two percentage points, calculated per day.

**3.4.** Supplier is to send all invoices to [invoices@pauwels.com](mailto:invoices@pauwels.com) Invoices not complying with the requirements of the paragraph will not be accepted, without need of a written protestation, and without payment. The payment term will start upon receipt of correct invoices.

### 4. Delivery

**4.1.** Unless expressly agreed otherwise in writing, all goods shall be delivered DDP (as specified in the latest version of Inco Terms)

**4.2.** Delivery dates stipulated in accepted orders are binding upon the Supplier. The Supplier must immediately inform PAUWELS in writing if it realizes that it will be unable to meet such delivery date. Supplier shall make no partial delivery or delivery before the agreed delivery date(s). PAUWELS reserves the right to refuse delivery of Goods and return same at Supplier's risk and expense if Supplier defaults in the manner and time of delivery or in the rate of shipment. PAUWELS shall not be liable for any costs incurred by Supplier related to production, installation, assembly or any other work related to the Goods, prior to delivery in accordance with this Agreement.

**4.3.** In the event the Supplier fails to respect such delivery date:

- a) A forfeiture penalty equal to 0.5 % per day, starting from the third day, of the price of the order, or the part of the order that has not been delivered, calculated as from the agreed delivery date included until the date of actual delivery, whether by the Supplier or under (c) below, or the canceling of the order by PAUWELS, shall be automatically due by the Supplier to PAUWELS;
  - b) PAUWELS may cancel its order, or the contract of which the order is part, totally or partially, with immediate effect and without any indemnification being due to the Supplier. Any goods returned to the Supplier as a result of the cancellation of a partially delivered order shall take place at the Supplier's cost and risks.
  - c) PAUWELS may purchase the goods from an alternative source, at the risk and expense of the defaulting Supplier;
  - d) PAUWELS may postpone any payments for the goods delivered late by a period of time that is double that of the Supplier's delay;
- and all this without prejudice to PAUWELS' right to claim damages from the Supplier for all direct or indirect losses (such as loss of profits, loss of clientele, loss of economies of scale, third party claims) suffered as a consequence of the Supplier's failure to deliver.

**4.4.** The Supplier shall not be released from its obligation to deliver on the delivery date as a result of strikes, industrial unrest, failure of any transport system, government measures or administrative measures at European, national, regional or local level, weather conditions, its own Supplier's failure or any shortage in raw or other materials.

**4.5.** All goods ordered shall be delivered during the working hours of the warehouse of which the address is mentioned on the purchase order. Upon delivery, a delivery or dispatch document must be signed by PAUWELS and the Supplier, or its transport company, indicating at least 1) PAUWELS order number, order line, article number 2) PAUWELS warehouse code number, 3) the number of items or gross/net weight, 4) any goods subject of that same order that remain to be delivered. PAUWELS reserves the right to reject goods which are not accompanied by such dispatch document, in which case they return to the Supplier at its risk and expense. Supplier shall pack, mark and ship the Goods in accordance with sound commercial practices and PAUWELS specification in such manner as to prevent damage during transport and to facilitate efficient unloading, handling and storage, and all Goods shall be clearly marked as destined for PAUWELS. Supplier shall be responsible for any loss or damage due to its failure to properly preserve, package, handle, or pack of the Goods; PAUWELS shall not be required to assert any claims for such loss or damage against the common carrier involved.

Signature of this dispatch document does not indicate any recognition or acceptance regarding the state of the goods nor any renunciation on PAUWELS part to the rights it has in case of late delivery. Any erroneous goods delivered by the Supplier shall be returned to the Supplier at its risk and expense.

## **5. Quality**

**5.1.** The goods supplied by the Supplier shall correspond to the product specifications stipulated in PAUWELS order or as agreed otherwise and shall be suitable for the purposes for which they are intended. In general, such goods shall meet the highest standards of workmanship and respect all relevant environmental and health and safety laws or regulations. In so far as possible, the said goods and their components shall be biodegradable, reusable or recyclable. All Goods will not violate or infringe any third party domestic or foreign patent, copyright, trade secret, trademark or other intellectual property rights. All Goods strictly comply with the specifications, approved samples and other requirements under this Agreement.

**5.2.** Visits may be made by PAUWELS to the plant of the Supplier during normal working hours, providing the Supplier is given 24 hours notice, to allow PAUWELS to check the manufacturing process and test the goods, for which purposes the Supplier shall provide all reasonable access and facilities. Prior to delivery, the Supplier

shall undertake tests to check that the goods correspond to the product specifications. PAUWELS has the right to assist at such tests or to be given a copy of any test results. Such visits, assistance at tests or information regarding test results are only for the purposes of information and cannot be taken to mean any acceptance, on the part of PAUWELS, of the goods, their components, the production process or the equipment used. In the event that such visits or tests clearly show that the goods shall not meet PAUWELS product specifications or delivery dates and the contract between the parties implies successive deliveries, PAUWELS may cancel its order and the contract with immediate effect, without any indemnification being due to the Supplier and without prejudice to PAUWELS right to claim damages.

## **6. Acceptance of goods**

**6.1.** For the purposes of acceptance, quantities and weights shall be those measured at the premises of PAUWELS. Certain goods cannot be tested appropriately before the production process and so acceptance shall not take place before, in which case payment of the invoice relating to the goods shall in no event be deemed to be acceptance of the goods. Acceptance covers visible defects of the goods or any apparent lack of conformity with the product specifications but does not cover any latent defects or lack of conformity with the product specifications. Inspection of or payment for the goods by PAUWELS shall not constitute acceptance. Inspection or acceptance of or payment for the Goods shall not release Supplier from any of its obligations, representations or warranties under this Agreement.

**6.2.** In the event the delivered goods fail to meet the product specifications and/or the quality requirements set out in 5.1. above, PAUWELS shall inform the Supplier of its refusal to accept the goods and the reasons for such refusal.

PAUWELS may either grant the Supplier a reasonable remedy period in which to make the goods conform to the product specifications and/or quality standards or may immediately (or after any remedy period that failed to produce the required goods) cancel the order and the sale with immediate effect and without any indemnification being due to the Supplier. It should also be possible that PAUWELS repairs the goods itself and charges the costs to the Supplier. Without prejudice to the above PAUWELS has the right to claim damages for any loss suffered as a direct or indirect result of the said failure, such as the costs of any testing by PAUWELS or any third party, loss of profits, loss of clientele, loss of economies of scale, personal injury or death or damage to property, third party claims and furthermore such deliveries are considered as too late and the stipulations of 4.2 apply. Any refused goods shall be returned to the Supplier at the Supplier's cost and expense and any payments made by PAUWELS to the Supplier relating to such refused goods shall be immediately reimbursed to PAUWELS.

## **7. Warranty**

Without prejudice to any legal provisions regarding product liability, the Supplier guarantees the goods against latent defects and non-apparent lack of conformity with the specifications and/or quality standards. The Supplier shall immediately repair or replace any such goods at its cost. Any goods supplied as replacements or repair work carried out by, or on behalf of, the Supplier is in turn guaranteed under the same terms and conditions. Without prejudice to the above, PAUWELS has the right to damages for any loss suffered as a direct or indirect result of any defect, or failure to reach quality standards or conformity with specifications, of the goods provided by the Supplier, such as loss of profits, loss of clientele, loss of economies of scale, personal injury or death, damage to property or third party claims. If any Goods or Service is defective or otherwise not in conformity with the requirements of this Agreement, PAUWELS shall notify the Supplier and may, without prejudice to any other right or remedy available to it under this Agreement or at law, at its sole discretion; claim a full refund of the price paid under this Agreement; or require the Supplier promptly to remedy the non-conformance or to replace the nonconforming Goods with Goods meeting the specifications. Supplier shall bear all costs of repair, replacement and transportation of the nonconforming Goods and shall reimburse PAUWELS in respect of all costs and expenses (including, without limitation, inspection, handling and storage costs) reasonably incurred by PAUWELS in connection therewith. Risk in relation to the nonconforming Goods shall pass to Supplier upon the date of notification thereof.

## **8. Packaging and labeling**

**8.1.** Packaging is included in the purchase price, except if explicitly provided otherwise. The Supplier shall use its best endeavors to keep packaging minimal and to use environmentally friendly packaging.

**8.2.** If the parties agree that the packaging is not to be included in the purchase price, such packaging shall be returnable to the Supplier, at its risk and cost.

**8.3.** All packaging shall be labeled with PAUWELS order number, order line number, article number, PAUWELS warehouse code number and any other specially requested item.

**8.4.** Packaging will be designed to unload by fork truck and stowage of the goods will be accordingly.

## **9. Ownership and risks**

**9.1.** Ownership of, and risks relating to, the goods supplied by Supplier shall be transferred to PAUWELS upon delivery, subject to article 11 below.

**9.2.** In the event that the order or sale is cancelled for lack of conformity or defects in the goods, ownership and risks in the supplied goods shall automatically revert to the Supplier.

## **10. Intellectual Property, Licenses and Confidentiality**

**10.1.** The Supplier warrants that the supply and use of the Goods or the Supplier's performance of the Services will not infringe any patent, registered design, copyright, trademark or other protected right ("Protected Rights").

**10.2.** The Supplier shall indemnify the PAUWELS against any liability which PAUWELS may incur through infringement of any Protected Rights in the use of the Goods or performance of the Services.

**10.3.** The Supplier shall keep all info and software relating in any way to PAUWELS and its Affiliates in the strictest confidence and will neither use it nor disclose it except for the purposes of this Purchase Order without the prior written consent of an authorized person of PAUWELS.

**10.4.** The Supplier shall supply to PAUWELS, at no additional cost, all calculations, software, manuals, reports, documents, data and information as may be specified in this Purchase Order or as PAUWELS may reasonably require.

**10.5.** Subject to any specific terms stated on face of this Purchase Order, Order, the Supplier shall promptly obtain all necessary import or export licenses and other consents necessary for the supply of the Goods or the Services.

**10.6.** The Supplier shall not make any public announcement or circular, including through social media, regarding this Agreement or the Project without the prior written agreement of PAUWELS (such agreement not to be unreasonably withheld or delayed). The Supplier shall take adequate measures to ensure its employees and representatives adhere to this confidentiality.

## **11. Plans, drawings, material and equipment**

**11.1.** All plans, drawings, graphs, technical information or data communicated through any means by PAUWELS to the Supplier or produced by the Supplier for or at the cost of PAUWELS shall remain the exclusive property of PAUWELS and shall be returned to PAUWELS as soon as no longer used for the purposes of the order or further orders.

**11.2.** Any equipment or material entrusted by PAUWELS to the Supplier for the purposes of completing the contract concluded between the parties shall remain the exclusive property of PAUWELS and shall be clearly marked as such, if possible.

**11.3.** The Supplier shall take all due care to ensure that all such items are kept safely and shall be liable as depository for any fault, however slight, under article 1928 of the Belgian Civil Code. In the event that the Supplier incorporates or adds any goods or parts of goods to such material or equipment, physically or through common destination or purpose, such goods or parts of goods shall become the property of PAUWELS and the duties of the Supplier as depository shall be extended to such goods or parts of goods, but risks relating thereto shall only be transferred to PAUWELS upon delivery. The Supplier shall take out adequate insurance coverage for such items.

## **12. Unity of contract**

In the event of any failure on the part of the Supplier to perform its contractual obligations, PAUWELS considers that all its rights and obligations towards the Supplier are part of one contract with all the consequences this entails, in particular the right for PAUWELS to set off any penalties or damages owed by the Supplier against any amounts owed to the Supplier and the right for PAUWELS to suspend performance of its contractual obligations to the Supplier.

## **13. Transfer or sub-contract**

The Supplier may not transfer the order or any of its obligations under the sale to any third party, and sub-contract other than as regards minor items, without PAUWELS written consent.

## **14. Force majeure**

In the event that Supplier is prevented from performing any of its obligations under this Agreement for reasons of force majeure, the performance of the obligations concerned shall be suspended for the duration of the force majeure. If the circumstances constituting force majeure endure for more than thirty (30) days, PAUWELS shall be entitled to terminate this Agreement with immediate effect by written notice to Supplier, and upon such notice, Supplier shall not be entitled to any form of compensation. Force majeure on the part of the Supplier shall in any event not include shortage of personnel or production or resources, strikes, breach of contract by third parties contracted by Supplier, financial problems of Supplier, nor the inability of Supplier to secure the necessary licenses in respect of legal or administrative permits or authorizations in relation to the Goods or Services to be supplied.

## **15. Jurisdiction and law**

Any dispute shall be submitted to the exclusive jurisdiction of the courts of the registered office of PAUWELS. Belgian law governs these general purchase conditions and any agreement of which they are part. The Vienna Convention on the international sale of goods shall apply to international sales but the parties waive any provision thereof that is in conflict with the present general conditions.