



General Terms and Conditions (GTC)

1. Validity

The present General Terms and Conditions (GTC) are valid for the supply of finished products or products to be manufactured to ANDRITZ HYDRO SA ("AH") as well as for other services that the supplier provides to AH in relation to a supply (together: the "Supply"). They are applicable irrespective of the qualification of the contract concluded between AH and the supplier (e.g. purchase contract, contract for works and services, mandate, etc.).

The supplier's general terms and conditions are only applicable if accepted by AH in writing prior to contract conclusion.

In case of discrepancies between the documents of the contract concluded between AH and the supplier the following order shall prevail:

- AH's purchase order;
- attachments mentioned in the purchase order, in particular negotiation protocols and the attachments listed therein;
- these General Terms and Conditions including the Annex.

2. Offer upon request

The supplier shall bear all costs of an offer submitted by him upon AH's request.

The supplier's offer shall precisely meet all specifications set out in AH's request. The supplier shall expressly and clearly indicate all deviations or variants proposed in its offer.

In each case of ambiguity regarding the request the supplier shall immediately inform AH and seek clarification.

3. Purchase orders

All verbal purchase orders shall be subsequently confirmed in writing to be valid (letter, e-mail or fax).

The supplier shall confirm the purchase order in writing within 10 business days.

The supplier's confirmation shall exactly correspond to AH's specifications in the purchase order.

In each case of ambiguity regarding the purchase order the supplier shall immediately inform AH and seek clarification.

4. Covenants

The supplier warrants that the Supply

- has been produced in accordance with the recognized technical rules in place at the date of

contract execution and in accordance with all applicable public law prescriptions;

- has a lifespan corresponding to the expected period of use;
- is perfectly functional within the facility into which it shall be installed;
- can be used without violation of any third party rights.

Furthermore, the supplier warrants that he possesses all permits and licenses necessary for the provision of the Supply and shall indemnify and hold harmless AH against any claims in this respect.

The supplier warrants that he himself as well as his subcontractors and subsuppliers shall apply all principles of quality assurance in accordance with the relevant norms ISO 9001 revision 2000 during execution of his products and services. AH shall be entitled at any time to inspect the quality assurance system, quality assurance provisions and the quality assurance plan of the supplier and his subcontractors and subsuppliers.

5. Subcontractors and subsuppliers

In case the supplier intends not to produce the Supply himself but to have it fabricated or delivered by a third party, the supplier shall obtain AH's prior consent. Such consent by AH does not release the supplier of his full liability for any of the subcontractor's or subsupplier's supplies.

AH shall be entitled to review the agreement between the supplier and his subcontractors and/or subsuppliers.

6. Price and payment terms

The price offered by the supplier shall include all costs in relation to the Supply, including all possible taxes, duties, fees as well as costs in relation to tests and other analysis required by any applicable law, documentation, packaging and delivery. AH shall only bear costs explicitly outlined in the purchase order as AH's obligation.

Unless otherwise agreed in writing, payment shall be due within 60 days upon delivery of the Supply to the agreed destination provided that AH has received all necessary documentation according to Articles 10 and 11, however, in any case not before receipt of a correct, complete and verifiable invoice.

Payment does not constitute acceptance of the compliance of the Supply with the purchase order and therefore does not constitute any waiver of performance of contract, defects liability, compensation for damages, liquidated damages, etc.

In the event that the Parties have agreed on a payment by instalments, the last payment shall only be released after submission of the final accounts concerning both the Supply delivered in accordance with the purchase order as well as any claims related thereto. Submission



of the final accounts shall be deemed as the supplier's declaration to have asserted all claims in relation to the respective purchase order and to not have any further claims in this respect.

AH shall be entitled to offset the supplier's payment claims with claims by AH or of companies of the ANDRITZ group.

7. Incoterms

Unless otherwise agreed, delivery shall be made DDP (according to Incoterms 2010).

8. Delivery dates, liquidated damages

The agreed delivery date is complied with if the Supply is delivered in its entirety and free from any defects before or on the delivery date at the place of delivery. This shall be subject to any deviating agreements (e.g. EXW according to Incoterms 2010).

In case a delivery date is not complied with for reasons attributable to the supplier, AH may exercise its rights according to Article 107.2 of the Swiss Code of Obligations without any further grace period.

In the event of delay the supplier shall pay liquidated damages irrespective of whether AH requests performance of the contract or exercises its rights according to Article 107.2 of the Swiss Code of Obligations. Liquidated damages shall be payable in the amount of 0.5% of the price outlined in Article 6 paragraph 1 per calendar day of delay up to a maximum of 20% of such price. AH reserves its rights to claim further damages in accordance with Article 161 paragraph 2 of the Swiss Code of Obligations, the supplier's fault shall be presumed. AH may claim liquidated damages and damages exceeding the liquidated damages at any time within the period stipulated in Article 14.

9. Packaging, loading, transport

All packaging, loading and transport shall be executed in such way to ensure the Supply's optimal protection against damages and corrosion.

10. Documents and specifications

The supplier shall provide the documents and specifications mentioned in the Annex as well as any further documents and specifications mentioned in the purchase order to AH at the time of delivery of the Supplies (see Article 6 paragraph 2).

11. Supply's conformity with laws

The supplier shall observe the regulations of the EU machinery directive (2006/42/EG), of the ordinance on machinery safety (RS 819.14) and of the federal law on products safety and its respective ordinance (RS 930.11 / 930.111), to the extent directly applicable to him, and/or execute the Supply in such way that AH observes such regulations with regard to the Supply.

In particular: in the event that the placing of a CE label and/or CE conformity declaration for machinery, printers, ROHS or a CE declaration of incorporation for partly completed machinery is mandatory or admissible, the supplier shall observe all such regulations and attach the CE label on the machinery or facility which is ready for use. The supplier shall provide in the requested languages the necessary CE conformity declarations for the machinery including the operation manual or the CE declarations of incorporation for partly completed machinery, including the installation manual and the list of essential requirements according to the EU machinery directive (2006/42/EG) which the manufacturer has applied and fulfilled, as well as information regarding remaining risks which shall be mitigated by AH, the final customer or operator. Upon request, the supplier shall allow AH access to the risk analysis.

12. Price and performance risks, transport insurance, transfer of ownership

Unless otherwise agreed, the supplier shall bear the risk for price and performance (risk of loss of or damage to the Supply) until the Supply is delivered at the agreed place of delivery. The costs of transport insurance, if applicable, shall be borne by the supplier.

Transfer of ownership to AH shall occur concurrently with the transfer of risk.

13. Inspection and taking over; notice of default

AH shall be entitled to wait with the inspection of the Supply in accordance with Articles 201 respectively 367 of the Swiss Code of Obligations until commissioning of the facility into which the Supply is installed is performed. Such inspection shall be deemed to be performed in time.

Taking over shall occur upon completed inspection which shall be notified by AH to the supplier in writing. The taking over constitutes the start of the warranty period and the statute of limitations („Verjährungsfristen“) (Article 14). During such period AH may notify the supplier at any time of defects which were not detected at taking over of the Supply.

14. Warranty period and statute of limitations

The warranty period respectively the statute of limitations for the supplier's liability for defects (including liability for indirect or consequential damages) shall be governed by Articles 201.1, 201.2 and 371.1 of the Swiss Code of Obligations.

The warranty period respectively the statute of limitations shall be extended for the time periods during which the facility in which the Supply has been installed could not be operated or only operated at a reduced scale due to a defect in the Supply.

The warranty period respectively the statute of limitations shall start anew with each repair or replacement of the Supply.



15. AH's rights in case of defects

In case the Supply is defective, the supplier shall - at AH's choice – either repair such Supply or deliver a replacement.

All costs related to the repair respectively installation of a replacement shall be borne by the supplier. This shall include in particular the costs for measures necessary to repair or replace the Supply within the facility. The supplier shall advance a sufficient amount of such costs upon first request.

Costs which arise in connection with the necessary inspection of the defective Supply shall be borne by the supplier. The supplier shall advance a sufficient amount of such costs upon first request.

The supplier shall in any case indemnify AH for all indirect or consequential damages caused by the defect.

If the supplier has not complied with his obligations regarding the rectification of defects for more than 14 days or in case of urgency, AH shall be entitled to rectify the defect itself and / or have the defect rectified by a third party, in which case the supplier shall assume all risks and costs.

16. Plans and planning documentation

The supplier shall keep strictly confidential all plans, documents, designs, data and information (collectively referred to as "Plans") provided by AH to the supplier in connection with the purchase order - irrespective of whether provided orally or in writing - and shall only use the Plans for the manufacturing of the Supply. Any distribution to third parties is prohibited unless the documents are forwarded to a subcontractor or subsupplier authorized by AH (Article 5). The supplier shall return to AH all Plans provided by AH and any copies made thereof upon AH's first request. The supplier shall also contractually impose on its authorized subcontractors and subsuppliers the same confidentiality obligations as well as the obligation regarding use and return of such Plans as outlined in this paragraph. AH retains both the ownership as well as the exclusive right to use with regard to all Plans provided by AH to the supplier.

The supplier shall hand over to AH all planning documents created by or on behalf of the supplier in connection with the performance of the contract. AH shall obtain the ownership rights in such planning documents with their creation and shall be entitled to use such planning documents without any limitation, inter alia for subsequent replacement orders, irrespective of whether AH chooses to produce the Supply itself or to have it produced by a third party.

In case AH reserves the right to examine planning documents supplied by the supplier, the approval of such planning documents shall not limit in any way the supplier's defects liability for the Supplies.

17. Indemnification for third party claims, product liability

The supplier shall indemnify and hold harmless AH upon first request against any third party claims concerning

violations (including but not limited to alleged violations) of intellectual property rights. AH shall be entitled to choose in its sole discretion the modalities of such indemnification (e.g. retainer and taking over of procedural costs in litigation cases; intervention into pending procedures, etc.).

In the event AH faces claims for violation of safety regulations or domestic or foreign product liability regulations and in case such claim is based on a faulty Supply, the supplier shall reimburse AH all damages resulting therefrom and indemnify and hold harmless AH against and from all such claims. The supplier shall take out insurance for all product liability risks in an appropriate amount and provide a copy of such insurance policy to AH upon AH's request. Taking out of such insurance shall not limit in any way the supplier's obligations or liabilities stipulated in this paragraph even if AH does not object against the submitted insurance policy.

18. Place of performance

The place of performance shall be Kriens.

19. Termination

AH shall be entitled, in addition to the termination and withdrawal rights available at law to terminate the contract or withdraw from the contract, at its discretion, in case:

- The supplier violates material provisions of the contract or the supplier repeatedly violates AH's instructions;
- The suppliers assets are subject to bankruptcy or insolvency proceedings or deferral of such proceedings;
- the maximum of liquidated damages has been reached;
- the agreement between AH and the final customer in the context of which the Supply was or will be made is terminated for whatever reason;
- other good cause.

20. Applicable law

The contract between AH and the supplier shall be governed by Swiss law. The Swiss law rules on conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods shall be excluded.

21. Jurisdiction

The exclusive jurisdiction in case of disputes arising out of or in connection with the contract concluded between AH and the supplier shall be Kriens.

22. Supplier Code of Conduct and Ethics (ScOC)

The supplier herewith confirms that:

- he has received and read a copy of the ANDRITZ Supplier Code of Conduct and Ethics ("Supplier Code")



which is published on the home page of ANDRITZ under www.andritz.com;

- he 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);
- this Supplier Code shall form part of any agreement entered into between the supplier and any ANDRITZ company, regardless of whether it is expressly incorporated into the contract by reference or not;
- he can be held responsible for ensuring compliance with the Supplier Code by his employees, company

representatives, as well as subcontractors and business partners that the supplier is using to supply products and/or services when doing business with ANDRITZ.

- ANDRITZ reserves the right to terminate the business relationship or contract in the event of a major breach of the rules laid down in the Supplier Code. The Supplier will hold harmless and indemnify ANDRITZ from damages arising out of a breach of the Supplier Code.

Annex: documents and specifications in accordance with Article 10 GTC



Annex in accordance with Article 10 GTC

Documents and specifications to be provided by the supplier

Invoices

A domestic supplier shall attach the supplier's declaration to the invoice in accordance with the Swiss ordinance on the delivery of proof of origin (SR 946.32). In case the place of origin is in a country not having concluded a free trade agreement with Switzerland, the place of origin shall be indicated on the invoice.

A foreign supplier shall issue a movement certificate ("*Warenverkehrsbescheinigung*") (WVB EUR.1) according to the Swiss ordinance on the delivery of proof of origin.

In case of supplies between EU member states with invoicing to AH the invoices shall include all specifications necessary for tax exemption and evidence for goods movement.

Domestic and foreign suppliers shall indicate on their invoices all applicable customs tariff numbers and - if applicable - the preferential tariff as well as the country of origin. Invoices of foreign suppliers shall be signed.

Certificates of origin

Upon AH's request the supplier shall provide a certificate of origin.

Delivery note

The supplier shall furnish a delivery note together with the Supply. AH shall immediately and separately be provided with a copy of such delivery note.

Export restrictions, list numbers

The supplier shall inform AH of any possible export or similar restrictions concerning the country of final destination which may be applicable to the Supply. Supplier shall further provide any possible national list numbers.

Export licenses

Supplier shall provide at its own cost any export licenses needed in connection with the Supplies, in particular for the export of the Supply to the country of AH's final customer.