WESTRAFO
POWER TRANSFORMERS & ENERGY SOLUTIONS

GENERAL SALES CONDITIONS

THIS General Sales Conditions document is made effective as of the twenty-third (23rd) day of August, 2022 ("Effective Date").

1. **PURPOSE OF THE CONTRACT**
   1.1. This Contract (Agreement) between Westrafo S.P.A. (hence called "Westrafo") and the Customer regulates the supply of supply of transformers and/or substations and / or Battery energy storage solutions and/or electrical Products and the related Accessories, hence called "Products" or "Goods". The conditions shall also apply to Installation and other Services and to Services executed away from Westrafo premises whether on the Customer's own site or elsewhere.

   1.2. The Agreement may also include any complementary services in relation to which the customer agrees to confirm in writing their interest to the execution by the deadline specified in the order confirmation sent by Westrafo.

2. **SCOPE OF APPLICATION**
   2.1. The supply of transformers and related accessories and/or services by Westrafo to the Customer is governed by these terms and conditions attached to each order confirmation and always available on the Internet website of Westrafo www.westrafo.com.
   2.2. In all Contracts between Westrafo and the Customer these conditions shall be deemed to be incorporated except to the extent that they may be expressly varied in writing by Westrafo. No other conditions or terms, whether oral or written, regardless of the date or dates upon which they were sent to Westrafo or exhibited by the Customer shall affect or vary these Conditions and/or the terms or conditions upon which the Contract is made. For the avoidance of doubt Westrafo shall not be deemed to accept such other conditions nor to waive any of these Conditions by failing to object to provisions contained in any Purchase Order ("P.O.") or any other communication from the Customer.
   2.3. Further modifications and/or additions to these general conditions shall take effect and shall be binding only if agreed between the parties and accepted in writing by both parties.
   2.4. If any provision (or part of it) of this Agreement is or become invalid, unenforceable or illegal, it shall be deemed modified to the minimum extent necessary to make it valid, enforceable or legal. If such modification is not possible, the provision should be deemed deleted. Any modification or deletion of a provision shall not affect the validity and the enforceability of this Agreement.

3. **CONTRACT PROCEDURES**
   3.1. All quotations are made subject to acceptance by the Customer within 7 days of the date thereof (unless otherwise stated) and subject to the Goods being available and/or the quotation not being withdrawn by Westrafo prior to acceptance. All Goods and/or Services are liable to be withdrawn from sale without notice.
   3.2. All quotations relate only to such Goods and Services as are specified therein. Drawings, dimensions and weights submitted must be taken to be approximate and do not form part of the Contract. All extras and accessories ordered but not specified in Westrafo quotation will be charged for separately as will the costs of all alterations, additions and other work undertaken at the request of the Customer.
   3.3. The acceptance of Westrafo quotation must be accompanied by sufficient information to enable Westrafo to proceed with the Order forthwith; otherwise Westrafo shall be at liberty to amend the quotation price(s) to cover any increased costs in labour or materials which may take place after acceptance.
   3.4. The Customer shall not assign or transfer its rights under any Contract to any third party without prior consent in writing of Westrafo.
   3.5. Westrafo reserves the right to amend the Goods Specification if required by any applicable statutory or regulatory requirement, and Westrafo shall notify the Customer in any such event.

4. **TECHNICAL SPECIFICATIONS**
   4.1. Drawings, executive projects and/or technical specifications (hence Technical Specifications) – sent by Westrafo and approved by The Customer for the offer formulation and/or the development and production of the Products - are to be considered an integral part of the Contract.
   4.2. The customer's delay in the transmission of the Technical Specifications may determine a proportional deferral of delivery, to be renegotiated in good faith.
   4.3. Westrafo, in compliance with the agreed standards and/or the given Technical Specifications, has the full right to modify the Products in order to ensure the correct manufacture and operation in compliance with the functional specifications agreed and any technical specifications. The customer will be informed of such changes if those may lead to a delay in the agreed delivery or if those may change weight, dimensions or performance of the Goods.
   4.4. If drawings and Product data sheets are sent to the Customer for acceptance, those shall be deemed accepted by the Customer implicitly if within 5 (five) working days from receipt the customer does not propose any changes and/or make any comments regarding the documentation.

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5. **MODE AND TERMS OF DELIVERY**

5.1. Except there otherwise stated Goods are deemed delivered when ready for collection at Westrafo premises.

5.2. The place of delivery is determined by the Incoterm indicated in the order confirmation sent by Westrafo to the Customer.

5.3. Unless otherwise agreed in writing, Westrafo is never liable for delays and/or damages occurred during transport.

5.4. Unless otherwise agreed, in case of an order with split deliveries, the delivery date of each batch of Products will be calculated from the date of receipt of Westrafo order confirmation by the Customer. In any case, Westrafo reserves the right to make delivery by instalments, unless otherwise expressly agreed in writing. The period during which instalments may be delivered and the quantity of Goods delivered in each instalment shall be at Westrafo sole discretion. Where the Goods are delivered in instalments, each delivery shall constitute a separate Contract (to which these General Conditions apply) and failure by Westrafo to deliver anyone or more of the instalments or any claim by the Customer in respect of any one or more instalments shall not entitle the Customer to treat the Contract as repudiated.

5.5. Unless otherwise agreed in writing amongst the Parties, in case of payment by letter of credit, the delivery period will be calculated from the date of acceptance of the L/C by Westrafo.

5.6. Unless otherwise agreed in writing, if after the receipt of the order confirmation by Westrafo the customer asks one or more technical amendments to the Products, the delivery of the Products will be automatically delayed for the time needed to implement the required technical changes in the Contract, maintaining in any case the right of Westrafo to change prices according to changes made and/or to be made.

6. **TIME FOR DELIVERY**

6.1. Unless otherwise agreed between the Parties, delivery times where given will be approximate and counted from the acceptance of the PO by Westrafo; under no circumstances shall delivery times be, or be capable of being, made of the essence of the Contract.

6.2. Delivery times are calculated from receipt by Westrafo of PO providing all details and full approvals to enable Westrafo to proceed without interruption to manufacture and/or supply the Goods (or Services).

6.3. Lead times quotes are estimated based on Westrafo workload at the point of receipt of the Customer's PO and according to the estimated delivery from suppliers.

7. **DELAYS**

7.1. Westrafo will not be liable for any loss, damage, loss of profit or expense whether direct, indirect or consequential and which may be suffered by the Customer due to a delay in the delivery of the Goods whatsoever or howsoever arising from any such late delivery.

7.2. In case of a delay in the delivery of Products caused by force majeure, unforeseeable circumstances and/or other events not attributable to intent and/or negligence by Westrafo, the Customer has no right, nor can he take, any claim for damages, and/or for the termination of the Contract and/or for price reduction.

8. **STORAGE**

8.1. In the event that the Customer fails to collect the Goods within the predetermined delivery time or the Customer requests the shipment to be delayed, Westrafo shall be free to arrange the Products storage, either at Westrafo facilities or elsewhere, at the Customer's risk and charge of any related costs.
What in the previous statement has to be considered valid starting from the notification date of Products readiness, until actual collection.

8.2. Storage costs: unless otherwise stated, Westrafo shall calculate any costs related to the storage (e.g. insurance, space allocation, …) on a monthly basis as 1% of the value of the uncollected Products. The grace period for free storage is considered lasting thirty (30) calendar days, starting from the notification of Goods readiness.
These costs shall be invoiced to the Customer every two (2) weeks to be paid within the tenth day of the month following the invoice date; the invoicing process will be applied until the complete collection of the Products.

9. **WARRANTIES**

9.1. Unless otherwise stated in Order Confirmation, Westrafo guarantees the absence of flaws and defects in the workmanship and the materials used to manufacture the Products for 12 months from the date of installation (the Warranty Period), and in any case no longer than 18 months from the declaration of Goods ready for delivery, provided that the seals, where present, are unbroken.

9.2. The warranty is specifically excluded for supplies in the countries of US, CANADA or in countries subject to the same legislation, unless it is specifically and unequivocally accepted in writing by Westrafo

9.3. Where defects and/or flaws are detected in the Products during the Warranty Period, Westrafo will only have the obligation, in its sole discretion, to remove the defect or, alternatively, to replace the defective Products or product components with delivery by the plant of Westrafo

9.4. Warranty obligations will be effective and binding only if Westrafo is placed in a position to verify the existence of flaws and/or defects alleged by the Customer.

9.5. The warranty obligation is fulfilled with the elimination of the flaws and/or defect alleged by the customer, or with the replacement of the Product and/or the defective components, without other charges and/or obligations of the latter.

9.6. Unless otherwise agreed in writing, if the origin of the fault or problem is not attributable to the manufacturer, any costs of removal and/or disassembly and/or assembly and/or relocations and/or insurance and/or customs and/or transportation and/or travelling,

accommodation and/or living expenses, as well as the risk of damage or loss during the previous stages, and repairs shall be borne by the Customer.

9.7. In any case, the Customer must make every effort to put the technicians in the conditions to be able to carry out their checks (making the transformer accessible in the first place)

9.8. Under penalty of forfeiture of the warranty, the Customer must notify in writing, by registered mail, return receipt or equivalent mode all flaws and/or defects found no later than 8 (eight) days from the effective date of the Product Delivery, or , in case of hidden defects, no later than 8 (eight) days from discovery thereof.

9.9. Westrafo shall not be liable for any failure in the Goods if:

a) The Customer Is not fulfilling his obligations (especially with regard to the payment of invoices);

b) The Customer makes any further use of such Goods after giving a notice in according with clause 8.7., or;

c) The defect arises because the Customer failed to follow Westrafo oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or (if there are none) good trade practice regarding the same, or;

d) if the Goods are used for applications not in accordance with their normal use and/or differently from the specifications and/or from the transformer manual delivered with the product, or;

e) The Customer alters or repairs such Goods without the written consent of Westrafo, or;

f) The defect arises as a result of Westrafo following any drawing, design or Goods Specification supplied by the Customer, or;

g) The defect arises as a result of fair wear and tear, wilful damage, negligence or abnormal working conditions, or;

h) The defect arises as a failures or damage during transportation (unless the same has been taken in charge by Westrafo) or during storage at the Customer's warehouse (or equivalent), or;

i) The Goods differ from their description as a result of changes made to ensure they comply with applicable statutory or regulatory standards.

9.10. The Customer loses the right to warranty in the event of use of non-original spare parts.

9.11. Upon expiry of the warranty period and/or the terms of their complaint, no claim can be made against Westrafo in relation to the alleged lack of conformity.

9.12. No guarantee is given in respect of equipment not manufactured, rebuilt or reconditioned by Westrafo.

10. LIABILITY

10.1. Nothing in these General Conditions shall limit or exclude Westrafo liability for:

a) Fraud or fraudulent misrepresentation;

b) Any other liability which cannot be limited or excluded as a matter of law.

10.2. Without prejudice to the rules on liability for defective Products and the possible liability in the event of wilful misconduct or gross negligence, Westrafo It is not responsible in any way for direct, indirect or incidental damages that the customer and/or third parties could suffer as a result of defects in Products. Westrafo shall not be liable to the Customer and/or subsequent users for loss of production, of profits, of use or for any consequential, direct or indirect economic damage of any cause and any kind.

10.3. Furthermore, subject to clause 9.1 and 9.2. Westrafo shall under no circumstances be liable to the Customer or any third party, whether in Contract, tort, breach of statutory duty or otherwise for any loss or damage to any premises, stocks or other property, loss of Contract o opportunity, loss of goodwill.

10.4. In no case, the total liability of Westrafo for damages resulting from defects and/or defects of Products with regards to this Agreement shall exceed 100% (one hundred percent) of the price of the Goods.

11. PRICE AND PAYMENTS

11.1. The price of Products and/or complementary services is indicated in the Order Confirmation sent by Westrafo.

11.2. Any changes and/or modifications of the Products will lead to an adjustment in the related prices because of possible increases in production costs and raw materials, as agreed from time to time between the parties.

11.3. The price of Products must be paid by the customer under the terms and the deadlines agreed between the parties.

11.4. Westrafo has the right to suspend the delivery of the Products until the payment of sums in distress and/or up to the provision of appropriate guarantees for the deliveries in progress, if the customer were to present outstanding payments in connection with the Agreement and/or with other supply relationships with Westrafo and/or its partners.

11.5. It is excluded that any faults and/or defects in Products, complained and/or confirmed, as well as any delays in delivery, whether or not due to Westrafo, can give the customer the right to suspend the payments related to the ongoing supply and/or to other Contractual relationships between the parties.

11.6. When delivery of the Goods is made by instalments Westrafo may invoice the Customer for each instalment.

11.7. If the Customer defaults in any payment Westrafo may, in addition to exercising any of the rights set out above, suspend work, delay or withhold delivery under or cancel either the Contract and/or any other Contract between Westrafo and the Customer and to retain any progress payments or payments on account already received under either the Contract or under any other Contract between Westrafo and the Customer.

11.8. All rights and remedies provided in this General Conditions for non-payment shall be in addition and without prejudice to all other right and remedies available to Westrafo under the Contract or at law.

11.9. Westrafo may issue and proceed with court action against the Customer for Payment of the price for Goods when due notwithstanding

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the fact that property in the Goods may not have passed to the Customer.

11.10. As foreseen in clause 8.9, if the Customer has not made the payments due, he cannot exercise any product guarantee. The customer must be fully compliant with his obligations in order to be able to enforce the guarantee

11.11. In relation to cases of late payment, the payment of default interest is envisaged. The default interest corresponds to the interest rate applied by the European Central Bank to its most recent main refinancing operations increased by eight percentage points (ECB rate + 8%). The application of this interest rate is automatic and takes effect, without need of a formal notice to pay, from the day following the expiry of the deadline for payment

12. **RETENTION OF OWNERSHIP**

12.1. Westrafo remains the sole owner of the Products until the date of total payment.

12.2. In the event of a Contract breach caused by the Customer, the fees paid will be acquired by Westrafo as compensation, within the limits established by law, and will be subject to the right to claim additional damages.

13. **CANCELLATION AND VARIATION BY THE CUSTOMER**

13.1. Orders accepted by Westrafo cannot be varied or cancelled without Westrafo written consent. Westrafo reserves the right to make charges to cover overheads, profit and direct costs incurred by Westrafo to the date of cancellation or to cover any amendments to the Goods and/or Services Specification or otherwise of the Goods ordered as requested by the Customer. Those charges are based on the following table:

	Time of cancellation	% of the price
1	Where the order is in process, but raw materials are not ordered yet	10 %
2	Where the order is in process with production space reserved and materials ordered:	
	- Engineering complete	25 %
	- Purchasing complete	50 %
	- Material received in-house	75 %
	- Production Started	100 %
3	Where the order is received and the Good is in Stock, but not loaded/shipped	
	- New equipment	15 %
	- Non new equipment	10 %
4	Where the order is received and the Good is in Stock and had shipped	
	- New equipment	20 % + all shipping and handling cost
	- Non new equipment	15 % + all shipping and handling cost

14. **CANCELLATION BY WESTRAFO**

14.1. If, owing to hostilities (whether war has been declared or not), government restrictions, strikes, riots, or civil commotion, difficulty or inability to obtain suitable raw materials, epidemic, pandemic, devaluation, major movements in international exchange rates, force majeure or causes of any other nature beyond Westrafo reasonable control (any such event being a "Force Majeure Event"), Westrafo decides it to be unreasonable or uneconomical to deliver the whole or any part of an Order, Westrafo shall have the right on giving notice in writing to the Customer to cancel the Order or any undelivered balance of the Order.

14.2. In the event of cancellation under this clause 13 the Customer shall not be entitled to make any claim arising from such cancellation other than a refund (without interest) of any advance payment made or a reasonable proportion thereof in respect of the cancellation of part of such Order as the case may be.

15. **TESTS AND TEST WITNESSING**

15.1. The Products are subject, in any case and before delivery to the customer, to a preventive testing at Westrafo production facility with routine tests carried out according to the latest publication of the IEC/IEEE standards.

15.2. Such routine tests, unless otherwise agreed in writing, are carried out without the participation of the customer.

15.3. Westrafo shall deliver documents attesting to the successful outcome of the tests carried out at the time of delivery of the Products.

15.4. If the participation of the Customer at the tests referred to in par. 14.1. is agreed by both Parties, Westrafo, at its discretion, will set the test date based on the availability of its testing room, with the power to postpone the terms of delivery provided in the Contract within a reasonable time frame. Unless otherwise agreed, the customer will have to pay a expense refund to be agreed by the parties.

15.5. Upon Customer's request, the tests may be carried out in the presence, of a third-party certifying authority, as well as representatives of Westrafo and the Client. The costs relating to such tests shall be borne by the customer.

15.6. In any case of participation of the customer and/or his representative to tests as referred to in Article 8, the successful outcome of the test will result in an irrevocable acceptance of the Products by the Customer.

15.7. Any type and/or special tests, other than those referred to in par. 14.1. may be agreed upon between the parties only in order phase, with costs borne entirely by the customer.

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15.8. The Goods are carefully inspected and submitted to standard tests (as outlined in Westrafo Quotation) before despatch. If additional or special tests are required or if the Customer wishes that any test to which the Goods are to be subjected take place in the presence of the Customer or its representative and/or at a site designated by the Customer, Westrafo reserves the right to charge an additional fee. If requested by the Customer, Westrafo shall give the Customer 7 days' notice of when any tests are due to take place on the Goods. In the event of the failure of the Customer or its representative attending at the date and time specified by Westrafo, the tests shall proceed in their absence, but, any additional fee in respect of those tests shall still be payable by the Customer.

15.9. Westrafo reserves the right to quote the cost of witnessing the routine tests.

16. **CONFIDENTIALITY, KNOW HOW AND INTELLECTUAL PROPERTY**

16.1. All costs, damages, expenses and losses suffered by Westrafo as a result of a breach of patent rights and/or trademarks and/or models, drawings or improper disclosure or use of know-how due to the Customer (and/or third parties connected to it) are a responsibility of the latter.

17. **WEIGHTS AND PACKING**

17.1. Westrafo will not provide packaging for the Products unless expressly stated and agreed upon in Order Confirmation.

18. **APPLICABLE LAW**

18.1. The Contract between the parties is, in any case, regulated by the Italian law.

19. **JURISDICTION**

19.1. Any disputes concerning the interpretation and execution of Contracts and/or issues covered by these Conditions of Sale shall be exclusively settled by the Italian Judicial Authority of the Court of Vicenza.

19.2. Westrafo retains the right to summon the customer in the jurisdiction where the latter is established or in the place where the Products subject to dispute are.

20. **MISCELLANEA**

20.1. It can never be understood as a waiver of the rights springing from these conditions, the fact that Westrafo does not assert them or does not demand their immediate observance.

20.2. All communications sent to Westrafo, in order to be considered effective, must be in Italian or English, unless express written provision of non-application of this clause.

20.3. The Customer subscribes to these general conditions in Italian and English, it being understood that in case of conflict between the two versions, the English text will always prevail.

20.4. These Terms and Conditions replace and supersede any previous Agreement between Westrafo and the Customer.

20.5. In the event that a single standard of the present GSC is invalid, the Contract remains validly disciplined.

20.6. The Customer declares under and for the purposes of articles. 1341 and 1342 to have read carefully and to specifically approve the following clauses:

Vicenza | August the 22nd, 2022

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