

"GENERAL CONDITIONS OF PURCHASE"

GEFRAN S.p.A. GROUP

In force since 01/07/2007

Reviewed in November 2016

This document contains the General Conditions of Purchase that regulate all Purchase Orders (PO) issued by the Buyer and the Companies within the Gefran S.p.A. Group.

GENERAL CONDITIONS OF PURCHASE

1) PURCHASE ORDERS AND CHANGES

- 1.1 The supply is conditional upon acceptance of these General Conditions of Purchase by the Supplier which is required to return them to the Buyer, duly countersigned for acceptance (by the Supplier's Legal Representative or authorised proxy) within 3 days of receipt and solely for the first supply. All subsequent supplies by the same Supplier will be regulated by the same conditions, without prejudice to any changes that will be submitted to the Supplier's acceptance.
- 1.2 A Supply Contract entered into by the parties or the Order itself may expressly derogate from these Conditions. In case of conflict, the Order will prevail over the Contract, while the Contract will prevail over the General Conditions of Purchase.
- 1.3 In any event, with the commencement of the supply, the conditions set out in the Order and in these Conditions will be deemed tacitly accepted. Such acceptance amounts to the Supplier's express waiver of its general and special conditions of sale. Except as otherwise agreed by the parties in writing, any condition set out in any order confirmation that changes, is in conflict with or contradicts these conditions, will be deemed null and not applicable.
- 1.4 If these Conditions are not returned duly signed, the Buyer may cancel the order, giving express notice to the Supplier and without this giving rise to any charge or cost.
- 1.5 The Supplier may not assign or entrust execution of the purchase order, in whole or in part, to third parties without the prior written consent of Gefran S.p.A.; in this case, the Supplier will be accountable to Gefran S.p.A. for all activities carried out by its third party assignee/subsupplier/subcontractor as if such activities had been carried out by the Supplier itself. Should the Supplier assign services to third parties, the Supplier undertakes, in accordance with art. 1381 of the Italian Civil Code, to regulate its relationship therewith in such a way as to comply with the terms and conditions set out herein.
- 1.6 Any oral agreement, including any changes and additions to these Conditions of Purchase, shall be valid only if subsequently confirmed in writing by Gefran S.p.A.. Also communications sent by fax or electronically amount to written confirmations.
- 1.7 Except as otherwise agreed by the parties in writing, the Supplier's quotes will be binding and will not give rise to any remuneration payable to the Supplier.

2) DELIVERY TERMS AND PENALTIES

- 2.1 The delivery date indicated in the order is final, binding and of the essence. In all cases of delay attributable to the Supplier and not previously agreed with the Buyer and also in case of delivery of the products to places and/or subjects different from those indicated by Gefran S.p.A., the Supplier will pay a penalty equal to 1% of the value of the shipment for each natural and consecutive day of delay, without prejudice to the Buyer's right to claim compensation for all damages and penalties incurred thereby as a result of the Supplier's delay. In any case, the penalty may not exceed 15% of the total amount of the order.
Subject to prior written notice to the Supplier, Gefran reserves the right to reschedule delivery for technical-organisational needs.
- 2.2 Article 2.1 applies except as otherwise agreed in the order or in the Contract between the parties.
- 2.3 In case of a more than one (1) month delay in delivery, the Buyer may cancel the order, except as otherwise and expressly agreed by the parties in relation to such delay.
- 2.4 In case of early delivery, Gefran reserves the right not to accept the goods or to apply a penalty equal to 10% of the value thereof.
- 2.5 Notwithstanding art. 1510(2) of the Italian Civil Code, the Supplier's consignment of the goods to the carrier or shipping agent does not release the Supplier from its delivery obligation. The Supplier will immediately give notice to the Purchase Office of Gefran S.p.A. of any difficulties that might prevent it from delivering or supplying the goods or services promptly and with the agreed quality. In any case, such notice does not exempt the Supplier from any liability deriving from the delay in performing its obligations.
- 2.6 Should a Product/Service not be in accordance with the Order or these Conditions, Gefran may apply, at its discretion, one or more of the following remedies:
 - 1) it may cancel the Order in whole or in part;
 - 2) it may reject the Products, in whole or in part, and return them to the Supplier at the latter's risk and cost - or it may reject the Services - with the covenant that the rejected Products/Services will be immediately refunded by the Supplier;
 - 3) it may leave the option to the Supplier to decide, at its own cost, whether to remedy such Service/Product non-conformity or supply substitute Products/Services and any other service required to ensure compliance with the terms of these Conditions and the Order;
 - 4) it may take steps, either directly or via another supplier, at the Supplier's cost, to make the Products or Services comply with

the Order, these Conditions and any other specification supplied or agreed with Gefran;

5) it may charge the Supplier for any reasonable cost (directly or indirectly) incurred by Gefran to obtain substitute Services or Products from another supplier;

6) it may charge the Supplier, without any prior formal notice, for all damages, losses, costs and expenses incurred (directly or indirectly) by Gefran as a result of the Supplier's breach of its obligations relating to the Order and these Conditions.

7) it may ask the Supplier to provide its support in the selection of compliant products and in the execution of repairs to any defective or non-compliant products at Gefran's facility.

All expenses and costs ensuing from the aforesaid remedies may be offset against the Supplier's credits.

- 2.7 The Buyer's acceptance of any late delivery of goods or supply of services will not imply and will not be construed in any way as a waiver by Gefran S.p.A. of its right to claim compensation for damages caused by the delay.

3) DELIVERY AND INVOICES

- 3.1 The Products will be delivered DAP or DDP (INCOTERMS) and thus will be delivered to the Buyer's warehouses, as expressly set out in the order, even where the costs are to be borne by the Buyer. The Supplier will be deemed Liable for any risk connected with transportation and for any losses/damages to the material during transportation.
- 3.2 The material shall be accompanied by a delivery note (the Italian *Documento di Trasporto*) in accordance with the law in force. Each delivery will be clearly identified with a label reporting the following minimum details: Supplier's name, identification of material, order number and quantity.
- 3.3 In case of material provided for manufacturing purposes, the Supplier shall also indicate in the delivery notes, together with the details of the Buyer's original document, any replacement of rejected material and any return of excess material received from the Supplier.
- 3.4 Invoices shall be sent separately to the registered offices of Gefran S.p.A. and/or to the email address: amministrazione@gefran.com
- 3.5 The Buyer reserves the right not to accept and to return to the Supplier, at the latter's cost, any material delivered without any order, authorisation or exceeding the agreed tolerance ranges.
- 3.6 Except in case of specific requests for special packaging, product packaging shall be suited to the nature of the goods and shall protect them against bad weather conditions,

loading/transportation/storage accidents, vibrations and handling, etc. The material shall be prepared in accordance with good business practices. Any damages caused by defective or poor packaging shall be exclusively borne by the Supplier, even where delivery is ex works.

4) FORCE MAJEURE

- 4.1 In case of events of force majeure, trade union disputes, business interruptions beyond the control of Gefran S.p.A., riots, government measures and other inevitable events, Gefran S.p.A. is released from the obligation to accept the goods and/or services at the agreed deadlines, for the entire duration of such events. During such events and for 2 (two) weeks thereafter, Gefran S.p.A. will be entitled - without prejudice to any other right - to withdraw from the supply contract, in whole or in part, where such events last for a significant period and the needs of Gefran S.p.A. are significantly reduced because, as a result of such events, the goods must be produced elsewhere.

5) ACCEPTANCE AND COMPLAINTS

- 5.1 The Supplier guarantees that the Buyer will have free access to its facilities and undertakes to provide information and assistance so as to enable the Buyer to check the regular performance of the supply.
- 5.2. The material shall be checked by the Supplier prior to its shipment, in accordance with the technical specifications attached and/or referred to in the order.
- 5.3 The Buyer may reject and return, carriage forward, any product batches that are not in accordance with all technical conditions established by the parties, both at the time of acceptance and processing and/or assembly thereof. The Supplier shall promptly replace the material with compliant material, sending it DDP to the Buyer.
- 5.4 The Buyer's acceptance of the material does not release the Supplier from its liabilities and warranty obligations. Notwithstanding art. 1495 of the Italian Civil Code, the material may be accepted and/or rejected within 12 months from the date of delivery. Should the Supplier not challenge the Buyer's complaint within 5 days, this will amount to a final acceptance thereof.
- 5.5 Any new product will be accompanied by Instructions, Warnings, Limitations of use, certificate of origin and/or preferential origin in accordance with Gefran's formats, certificate of conformity and, where needed, certificate of final testing of the material (stamped and signed by the Supplier). Non-

delivery thereof amounts to a good cause for rejection of product delivery.

- 5.6 The parties agree that if Gefran S.p.A. challenges the supply for any reason and cause, it may suspend the corresponding payment until the soundness of its complaints are judicially established with a final sentence; for this reason, the Supplier shall not take any debt collection action and shall not claim any legal or default interest on any sums unpaid by Gefran S.p.A.
- 5.7 Gefran S.p.A. may offset the sums claimed from the Supplier as compensation for damages or penalties against those owed thereto for supplies.
- 5.8 Supply payment does not prejudice in any way the right of Gefran S.p.A. to challenge the supply and ask for its refund in addition to the right to claim compensation for all damages, none excepted, from the Supplier.

6) QUALITY AND WARRANTY

- 6.1 Except as otherwise agreed in a specific Supply Contract signed by both parties, the Supplier gives a 24-month warranty on finished products running from the date of receipt thereof, without prejudice to any statutory warranties.
- 6.2 The Supplier warrants that each supply will be in accordance with order specifications, the rules and regulations in force, and will be fit for the requested use and free from defects. In case of defects, the Supplier is required, at the Buyer's discretion:
- to repair
 - to replace, free of charge, all defective and/or non-compliant products
 - to refund the Buyer for the purchase price, with the return of the defective and/or non-compliant products.
- Should Gefran's product inspection or testing lead Gefran to believe that the Products are not in accordance with the Order, these Conditions or any other supplied or agreed specifications, Gefran reserves the right:
- a) To give formal notice of Non-Conformity to the Supplier. Upon receipt of such notice of Non-Conformity, the Supplier shall send a written answer within 3 working days, indicating the actions taken (or to be taken thereby) to contain/correct such non-conformity so as to avoid the delivery of further non-compliant items. Where required, the Supplier shall send the 8D report relating to the reported Non-Conformity.
 - b) To ask the Supplier to take all immediate measures to bring any changes, adjustments, modifications or improvements in order to make the procedures appropriate and adequate and to ensure Product conformity.

- c) To make sure that such measures are implemented by third parties, where necessary; in this case, Gefran will deduct the corresponding costs, increased by 20%, from the agreed price payable to the Supplier.

Gefran reserves the right to charge 100€ to the Supplier for any case of Non Conformity.

- 6.3 In any event, the Buyer may claim compensation for any additional damages caused by the unsuitability of the product bought and for any direct and indirect damages, including damages to its image and reputation. Any repaired and/or replaced supplies shall be subject to the same warranty period running from the date of their completion and/or replacement.
- 6.4 The Supplier's warranty is extended to the Buyer's Customers, who may ask the Supplier itself to replace any defective material and to refund them for any costs and/or damages.
- 6.5 Should the Buyer be involved in third party liability lawsuits (including Product liability) or contractual liability lawsuits brought by third parties for defects in the material supplied, the Supplier shall indemnify the Buyer against the damages payable related to the Supply, including to professional and end users.
- 6.6 In case of procedures for the collection/replacement of defective or non-compliant material by the Supplier, the latter shall be required to supply substitute material free of charge and at no additional costs, refunding the Buyer for any costs connected with product collection.
- 6.7 The Supplier shall take out or give evidence of having taken out adequate insurance covering any liability that might derive from the material supplied.
- 6.8 The Supplier warrants and certifies that it will comply with and will abide by all rules and regulations in force, including European Community regulations, the rules on health and safety at work, environmental quality, marking, etc.
- 6.9 The Buyer reserves the right to conduct audits to check whether the Supplier's quality assurance procedures are in accordance with contractual needs. Such audits may be conducted also on site or may cover given processes or products and shall be agreed in advance.

7) EQUIPMENT

- 7.1 Any moulds, models, tools, devices or any other equipment of the Buyer shall be used by the Supplier solely for the Buyer and for the supply indicated in the order. They will be returned upon conclusion of the supply relationship or at the Buyer's simple request.

8) PAYMENTS AND PRICES

- 8.1 The applicable price is set out in the purchase Order or in the Contract and is deemed fixed and not subject to changes, not even in case of any increase in the price of materials or manufacturing costs, until the date of completion of order performance.
- 8.2 Notwithstanding Legislative Decree 231/2002, no automatism relating to the application of default interest will apply between the parties, which undertake to give prior and express notice thereof.
- 8.3 All payments shall be regulated by the conditions indicated in the Order and agreed by the Buyer and the Supplier, being it understood that the date of Payment will be postponed in case of any non-conformity or defect affecting the material.
- 8.4 No additional cost shall be admitted unless it is specifically accepted by the Buyer in writing.

9) TERM, WITHDRAWAL AND TERMINATION

- 9.1 All orders for standard items may be cancelled by the Buyer by giving a written notice of seven (7) days before the date of delivery, without any charges or costs. All orders for custom-made items may be cancelled by establishing with the Supplier the possible payment of the semi-finished product, based on order progress.
- 9.2 In addition to any withdrawal and termination rights granted by law, Gefran S.p.A. may withdraw from or terminate the contract with immediate effect if:
 - The Supplier fails to fulfil agreements with other customers;
 - The capital/financial conditions of the Supplier are or may become deeply/substantially deteriorated, thereby prejudicing its supply obligations to Gefran S.p.A.
 - The Supplier becomes insolvent or has excessive debts or interrupts payments.
- 9.3 Gefran S.p.A. reserves the right to withdraw from or terminate the supply contract also where the Supplier files a petition for bankruptcy, composition with creditors or any other composition or debt restructuring procedure that involves the Supplier's assets.
- 9.4 Should the Supplier perform the supply only in part, Gefran S.p.A. may terminate the entire contract if it is not interested in the partial performance thereof.

10) INTELLECTUAL PROPERTY, CONFIDENTIALITY

- 10.1 The use of Gefran Trademarks is regulated by the corresponding general Terms and Conditions available on the website www.gefran.com.

Should the Supplier intend to benefit from the right to use the Trademarks, it shall obtain the corresponding Licence from the Buyer, specifying the reasons for and purposes of this request.

The Supplier may not use or reproduce the Trademark with shapes, colours and proportions differing from those expressly described in the Technical Specifications published on the website www.gefran.com.

Under no circumstances will the Licence imply the Supplier's right to create websites and/or register or otherwise use Internet domains containing one or more Gefran Trademarks, whether in Italy or abroad, with any extension and in any language.

The Supplier shall clearly specify the connection between the Trademark used and the products and services offered by Gefran S.p.A. so as to avoid any confusion with other parties' products and services. The Trademark shall be clearly associated to Gefran products and will be kept separate from competitors' products; under no circumstances can it be used in relation to products differing from Gefran's.

The Trademark Licence shall be limited to the duration of the contract between the Supplier and the Buyer, without prejudice to the right of Gefran S.p.A. to revoke the Licence at any time, subject to prior notice.

In any case, after the expiry, resolution of termination of the contract, the Supplier shall not use any business name, company name, sign or trademark that may be confused with Gefran Trademarks or that may deceive or cause confusion with other parties' products and services.

- 10.2 Any information, communication, data etc. exchanged between the Parties in any form and manner, either orally, in writing, electronically or otherwise, regardless of it being specifically identified as confidential, shall be deemed strictly confidential, non disclosable and the exclusive property of the Buyer.

- 10.3 Confidential information may also be represented by drawings, formulas, processes and procedures, technical specifications, photographs, documents, samples, demonstration models, notes prepared by Gefran or its internal or external collaborators.

11) LEGISLATIVE DECREE 231/2001 AND CODE OF ETHICS

- 11.1 The Supplier acknowledges that Gefran Spa is required to act in accordance with the Organisation Model and the Code of Ethics approved by the competent bodies, in accordance with Legislative Decree 231/2001.

- 11.2 The Supplier hereby undertakes to act in accordance with the Organisation Model and the Code of Ethics, which are available at the company's offices or on the website www.gefran.com.
- 11.3 The Supplier's breach of the provisions of this article and of any provision of the Code of Ethics and of the Model will imply the immediate termination of this contract, without prejudice to compensation for damages where such breach causes damages to the Buyer.

12) GENERAL AND FINAL PROVISIONS

- 12.1 The competent judicial authority that has exclusive jurisdiction over any dispute involving the Buyer is the Court in Brescia.
- 12.2 The Supplier agrees to comply with all local, national and European rules and regulations that apply to the supply, indemnifying the Buyer from and against any sanction deriving from its breach of the said provisions. Any export restrictions (e.g. EU Dual Use Reg., U.S. Export Control, embargoes) concerning the products supplied will be communicated by the Supplier prior to the supply. The Supplier will also report to the Buyer the correct customs code to be used in relation to imported material.
- 12.3 The Supplier shall not assign to third parties any claims it may have against Gefran S.p.A. and shall not give payment collection orders.
- 12.4 These conditions will remain in force for an indefinite period of time and may be changed by giving a reasonable prior notice.
- 12.5 The Buyer declares that the Supplier's personal data will be processed in accordance with the current privacy regulations. The Data Controller is Gefran S.p.A. Via Sebina 74, 25050 Provaglio d' Iseo (BS).

I accept these General Conditions published on the website www.gefran.com and delivered prior to the Order.

Stamp and Signature for acceptance:

full name:
role of the signatory:
date:

Pursuant to art.s 1341 and 1342 of the Italian Civil Code, I also accept all the conditions and covenants contained herein and declare I have carefully examined what is established and agreed with the corresponding clauses; I specifically approve the clauses and conditions listed in points: 1. Purchase Orders and changes; 2. Delivery terms and penalties; 3. Delivery and invoices; 4. Force Majeure; 5. Acceptance and Complaints; 6. Quality and Warranty; 7. Equipment; 8. Payments and prices; 9. Term, withdrawal and termination; 10. Intellectual property and confidentiality; 11. Legislative Decree 231/2001 and Code of Ethics; 12. General and final provisions

Stamp and Signature for acceptance:

full name:
role of the signatory:
date: