

GENERAL CONDITIONS OF PURCHASE (GCP)

1. General Principles

These general conditions of purchase, unless expressly waived by mutual agreement of the parties in writing, are to be considered an integral and essential part of the order or contract and apply to any order placed by Buyer with Supplier or to any contract signed.

These terms and conditions supersede any prior agreements and/or correspondence concerning the same purpose, including therein any general conditions of sale of Supplier, considered jointly or severally, and unless otherwise agreed in writing shall prevail over any condition or clause, whether restrictive or amending, different or additional, introduced by Supplier in its confirmation of order, in invoices or in correspondence, also where in print. Any amendments or waivers hereto, also where made at a later date to the order/contract, shall be binding only if expressly accepted in writing by Buyer.

2. Orders and Changes

The order shall be considered accepted, also where not signed by Supplier, unless a contestation or different counterproposal is made in writing by Supplier and received by Buyer by and no later than 2 (two) working days from the sending date of the order by electronic mail or fax. For said purposes, orders may validly be sent to the address of Supplier specified when the contract is made, in qualifications or in subsequent written notices.

Performance of the order by Supplier shall be construed as tacit acceptance of these general conditions and the specific conditions stated in the order. Any counterproposal will be binding only if expressly accepted in accordance with article 1326 of the Italian Civil Code.

Buyer reserves the right to make changes to the order by issuing a "Change of Order" notice stating the proposed change and its date of application. The Change of Order shall be considered accepted by Supplier unless notification is sent in writing to Buyer by and no later than 2 (two) working days from the date of sending, stating that Supplier does not accept the new conditions proposed.

3. Prices

Prices will be stated in the order or contract. Unless otherwise specified therein, said prices shall always refer to the current price list in force at the date of issue of the order or at the execution date of the contract.

Prices shown in the order/contract are stated net of Italian VAT and are to be considered fixed and firm; as such, they may not be increased for any reason whatsoever.

Unless otherwise stated in the order/contract, prices are to be considered inclusive of all costs, taxes, fees and insurance, packaging expenses, and mandatory legal contributions.

Any changes to price lists in force are to be agreed in advance with Buyer's Procurement Office.

4. Terms of Delivery of Goods

Delivery terms shall be stated in the order/contract with reference to the ICC Incoterms 2010. Where not expressly stated, DAP—Delivered at Place (as specified in the order/contract) shall apply.

Goods are to be delivered at the place and date and in accordance with the quantities and conditions stated in the order/contract.

Goods may be delivered to construction sites, production plants or the premises of Buyer.

Delivery terms may not be waived and shall be essential conditions of contract. Any waivers, also where connected to improvements or technical changes, are to be agreed expressly in writing.

The delivery date shall be considered the final date on which duly accepted goods accompanied by relative certifications of conformity are received by Buyer at the agreed delivery point.

5. Delayed Delivery

In the event that the delivery of the goods or the performance of the order is delayed due to reasons not constituting force majeure, Buyer may apply a delay penalty equal to 1%, or other amount set and agreed in the order/contract, of the price of the undelivered goods for each week of delay or part thereof.

Buyer may deduct the penalty applicable from the outstanding price due or overdue, without prejudice to the right of Buyer to seek greater compensation for damages and to terminate the order/contract in the event of delays exceeding 7 (seven) days.

6. Shipment of Goods and Transport Documents

Shipments are to be made by the most appropriate means. Supplier is required to use the carrier named in the order or otherwise expressly agreed with Buyer.

Supplier shall be liable for any damages arising as a result of incorrect packaging or insufficient anchoring of the goods in accordance with the delivery terms stated and agreed in the order.

Goods must be accompanied at all times by transport documents, prepared in accordance with applicable laws, or immediate invoice. Transport documents are required to indicate, in addition to the information required by law, Buyer's order number and/or other data required by Buyer's internal quality control procedures.

Where goods are shipped directly to destination, without transiting at Buyer's premises, Supplier shall forward to Buyer, upon consignment of the goods, copy of the transport documents issued.

7. Documentation

Goods supplied under the order shall be provided with complete technical documentation for mounting, assembly, use, operation, and maintenance, along with all certificates required by laws in force or the order/contract, including therein safety certificates, type approvals, material safety data sheets, and/or waste classifications. This documentation shall be considered an integral part of the goods supplied.

Where the documentation provided is incomplete and/or non-compliant with the order/contract or applicable laws and technical regulations in force, Buyer may suspend payment of invoices, even of subsequent deliveries, until complete, accurate and proper documentation is received.

8. Warranty

Supplier hereby warrants that the goods will meet the technical characteristics and specifications agreed or referred to in the order/contract or possessed by samples or prototypes provided, be of merchantable quality, fit for purpose and free from encumbrances, that the materials used for their manufacture will be free from patent and latent defects, and that production operations will be performed in a professional manner.

Buyer may perform audits on Supplier's quality control system and/or request copy of the related manuals and certifications, where expressly requested by the end customer.

Without prejudice to the provisions set forth in orders/contracts, goods shall be covered by a Supplier warranty against design, manufacturing, and material defects and assuring fitness for purpose for a period of 24 months commencing as of the delivery date of the goods or, for goods subject to functional testing, as of the testing date.

In express departure from article 1495 of the Italian Civil Code, Buyer shall notify any defects by and no later than 30 days from the delivery date for "patent" defects or from the discovery date for "latent defects". Defects discovered upon unpacking shall be expressly treated as latent defects.

Written complaints of non-compliance shall be considered accepted by Supplier unless contested within 5 (five) days from receipt.

Without prejudice to any other rights or remedies available to Buyer by law or under contract, Supplier shall repair and/or replace defective goods at its own cost and expense, within any reasonable period of time requested by Buyer. The warranty shall cover all labor, transport and packaging costs.

Where prompt action is not taken by Supplier, Buyer may, at its discretion:

- a) accept the goods at a suitable price discount;
- b) repair the goods itself or have them repaired by a third party and charge all costs incurred to Supplier. Where goods are replaced or repaired, the warranty period shall commence as of the date of replacement or repair;
- c) terminate the contract.

If in the process of inspection for acceptance goods are declined due to non-compliance (with the technical specifications or conditions of the order), Buyer may cancel the relative order (sub c) and request cancellation of the invoice issued, also where goods are sold in batches.

Supplier shall be liable for any damages caused by defects in products, also for the purposes of Italian Legislative Decree 206/2005. Accordingly, Supplier shall purchase and maintain, at its own cost, third-party liability insurance for products.

Supplier shall indemnify and hold harmless Buyer for any damages, costs or claims, also in relation to recall campaigns or lawsuits brought by third parties, arising from or in connection with defects or the unreliability of goods.

9. Testing and Inspection

All goods, unless otherwise agreed or where other practices are in place, shall be subject, during both the production and delivery stages, to inspection and check by Buyer or by designated inspectors appointed by the latter. The performance of an inspection shall not affect the right of Buyer to decline goods found to be non-compliant or unfit for purpose, nor shall it imply, in any way, recognition of full compliance and/or acceptance of the goods. Supplier shall allow free access, during working hours, to its premises and shall provide, at its own expense, all the technical assistance required and tools necessary for checks. Tests are to be performed by Supplier at its own expense and in compliance with the order/contract and the requirements of law. Where testing is performed jointly, the test plan is to be forwarded at least 7 (seven) days in advance of testing. Supplier shall bear all costs incurred for approval/testing procedures or for authorizations required by law. The original and complete testing certification is to be provided to Buyer.

10. Export Control and Customs

Supplier shall inform Buyer of any requirements relating to licenses for the export of goods/products under Italian, E.U. or U.S. law governing export control and customs rules and legislation governing export control and customs rules in the countries of origin of products. Accordingly, Supplier shall clearly state in all offers/order confirmations and invoices, updating the information as necessary, the following information: Export List Number/Export Control Classification Number (ECCN) for U.S. goods in accordance with the U.S. EAR; country of origin of the goods and their components (including software); any transport on U.S. territory or manufacturing/storage in the U.S.A. or manufacture using U.S. technology; HS Code of Products (customs tariff); company liaison officer for relevant information. If not expressly stated by Supplier prior to execution of the order/contract, it shall be assumed that the goods may legally be exported to the country of destination, where delivery will take place, stated in the order/contract, or, where no country of destination is shown, to “any country”.

11. Force Majeure

Force majeure consists of unforeseeable events and circumstances beyond the reasonable control of the party affected, the occurrence of which is inevitable or unpredictable and whose effect is such as to prevent the party affected from performing all or a part of its contractual obligations.

Force majeure events include, without limitation, the following events: earthquakes, cyclones, floods, fire or other natural disasters, epidemics, wars, revolution, coups d'état, uprisings, riots and other armed hostilities, invasion, acts of terrorism, sabotage/piracy, expropriation, confiscation, embargo or destruction ordered by civilian or military government authorities, bans

and acts of government authorities or public bodies, both legal and illegal, nationwide strikes and lockouts.

Under no circumstances shall delays by subcontractors be considered force majeure.

Where delays due to force majeure last for more than 15 (fifteen) days, Buyer shall be entitled to cancel the order by sending written notice thereof with immediate effect for deliveries.

If force majeure prevents the party from performing the service for a period of more than 90 (ninety) days, each of the parties hereto may declare the order/contract terminated.

12. Invoices

Invoices, both immediate and deferred, are to be addressed and sent to Buyer in the original by ordinary mail, or in PDF format by electronic mail, by and no later than the legal deadline. In order to be accepted, each invoice shall state, along with all information required by law, Buyer's order number and, in the case of public contracts, the CIG and CUP numbers. Under no circumstances may an invoice be issued before the effective delivery of the goods, unless expressly permitted in writing.

Invoices shall be subject to all taxes applicable at the time of the transaction.

Where additional services such as factory testing (FAT) and/or on-site testing (SAT) are required under the terms and conditions of the order/contract, the relative invoice may only be issued after the successful performance of the services.

13. Payments

Unless other arrangements are expressly made, all payments will be effected by bank transfer to the bank account recorded in the Supplier Register and shown in the order/contract. Supplier shall immediately notify Buyer of any changes by completing and signing a new registration form, to be forwarded to Buyer.

For supplies provided under public contracts and/or where a CIG number and CUP number, if applicable, are expressly stated on the order, Supplier is required, in strict compliance with the mandatory traceability requirements for cash flows provided under article 3 of Italian Law 136/2010, to specify its bank account details and the banking institution in writing and all bank transfers carrying a CIG and CUP number may only be paid into the bank account expressly identified.

In the event of a defect notice or delayed performance of the order by Supplier, Buyer shall suspend the payment term until the defect or delay is rectified. Suspension or delay of payment shall not entitle Supplier to suspend its services for any reason. Payment shall not be construed as acceptance of any part of the goods. Buyer shall be entitled to set-off any amounts payable to Supplier against any amounts receivable from Supplier, also by way of compensation for damages.

14. No Assignment of Contract and Receivables

Supplier is strictly prohibited from transferring or assigning to third parties, in whole or in part, orders/contracts or the relative rights/obligations without the express written consent of Buyer in advance.

In the event of a breach, Buyer may suspend payments in accordance with article 1460 of the Italian Civil Code.

In the event of subcontract to a third party, Supplier shall remain fully liable to Buyer for performance of the order/contract.

It is strictly forbidden to assign, in any form, amounts receivable without the express written consent of Buyer. The order constitutes an integral part of the supporting documentation required by article 1262 of the Italian Civil Code. It is assumed that this clause is known by the assignee at the time of assignment and shall therefore be binding and enforceable on the assignee in accordance with article 1260/2 of the Italian Civil Code.

15. Cancellation of Order or Withdrawal

Buyer may, at its discretion, cancel the order or withdraw from the contract at any time by sending notification thereof by electronic mail or fax, with the sole provision that documented expenses approved in advance and incurred by Supplier up to the date of cancellation/withdrawal are reimbursed to Supplier.

16. Express Termination Clause

Buyer may terminate with immediate effect, pursuant to article 1456 of the Italian Civil Code, the contract/order by sending written notification thereof to Supplier (also via electronic mail) in the event of:

- a) breach by Supplier of the confidentiality and non-competition clause or the CCP clause contained herein;
- b) delayed delivery by Supplier of the goods exceeding 7 (seven) days;
- c) deterioration of the financial/cash flow position of Supplier such as to jeopardize the continuity of supply;
- d) fraud or gross negligence in the performance of the order/contract such as to damage the corporate image or business interests of Buyer
- e) judicial proceedings against Supplier such as to jeopardize or damage its corporate image and reputation or the corporate image and reputation of Buyer.
- f) liquidation, termination of business or insolvency of Supplier, or insolvency proceedings against Supplier of any kind (including debt restructuring agreements or arrangements with creditors).

17. Confidentiality and Non-competition

Supplier shall unconditionally uphold the strict confidentiality and secrecy all technical or business information provided in verbal or written form either directly or indirectly by Buyer in relation to the purpose and content of the order. Supplier may not disclose to third parties or use the information for other purposes, nor copy or reproduce any documentation, except with the express consent of Buyer.

Where manufacture is based on a design, pattern or sample provided by Buyer, Supplier hereby agrees not to manufacture or sell, directly or through a third party or company, the same or similar products. The obligation of confidentiality is binding on Supplier and its assignees and successors, and shall be enforceable indefinitely, also in event of a change in the company name or ownership structure.

18. Industrial Property Rights

Supplier hereby warrants that the manufacture, use and marketing of the goods/products and their accessories and components does not infringe the intellectual or industrial property rights of any third parties.

Supplier shall expressly indemnify and hold harmless Buyer and its customers from any third-party action or claim for infringement of patents, intellectual property rights, trademarks, copyrights and other similar rights protecting know-how or trade secrets. Accordingly, Supplier hereby warrants that the use and trade of any goods supplied under the order/contract is legal in Italy and abroad, and shall bear all expenses (without exception) for the prompt resolution of any claims by third-parties and for the compensation of any damages caused to Buyer.

19.CCP – References

In accordance with Italian Law 196/2003, Supplier expressly consents to the treatment of its personal data and authorizes Buyer to use its name and registered address as a reference for promotional purposes.

Supplier hereby represents that it has read the Corporate Compliance Programme (CCP) adopted by Buyer in accordance with Italian Legislative Decree 231/2001, published on the corporate website www.cefla.com, and agrees to comply with the provisions of the CCP and the provisions and principles of Italian Legislative Decree 231/2001. In the event of non-compliance with said provisions and principles, Buyer may terminate the contract, in accordance with and for the intents and purposes of article 1456 of the Italian Civil Code, without prejudice to its right claim additional damages.

20.Arbitration Clause and Applicable Law

Any dispute arising from or in connection with the conditions set forth herein, orders or contracts, including disagreements concerning the validity, execution, interpretation and termination thereof, shall be resolved through formal arbitration in accordance with the Arbitration Rules of the Chamber of Commerce of Bologna, which the parties expressly declare to know and accept, by 3 (three) arbitrators appointed in accordance with said regulations. The arbitrators shall decide in accordance with law.

These conditions and related orders or ancillary contracts are governed exclusively by Italian law.

By way of acceptance

(Supplier's signature)

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Pursuant to and for the intents and purposes of article 1341 of the Italian Civil Code, Supplier specifically approves in writing the following clauses: Art. 1 (General principles); Art. 2 (Orders /



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Changes); Article 3 (Prices), Art. 4 (Delivery Terms); Art. 5 (Delayed Delivery); Art. 7 (Documentation); Art. 8 (Warranty); Art. 13 (Payments); Art. 14 (No Assignment of Contract/Receivables); Art. 15 (Cancellation or Withdrawal); Art. 16 (Express Termination Clause); Art. 17 (Confidentiality and Non-competition); Art. 18 (Industrial Property Rights) Art. 20 (Arbitration and Applicable Law).

By way of **approval and acceptance**

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(Supplier's signature)