

FONTANA GROUP

General Terms and Conditions of Purchase and Contract

January 1st, 2015

General Terms and Conditions of Purchase and Contract

The following general terms and conditions of purchase and contract shall immediately apply to all new purchase orders issued, and the contracts signed, by the Buyer (as defined below) starting from January 1st, 2015. These general terms and conditions of purchase and contract shall apply with effect after thirty (30) days from the date of receipt of this document, to orders issued, and contracts signed, by the Buyer (as defined below) prior to January 1st, 2015 but not yet acknowledged or still to be performed, in full or part, by Supplier (as defined below) as at the date of receipt.

1. Definitions

The following terms when used with capital letter have the below indicated meaning:

- 1.1. "Acceptance Period" means, with respect to each Supply or portion of Supply, a twelve (12) months period starting from the date of receipt of the relevant Goods and/or Services (or portion of Goods or Services) by the Buyer, during which the Buyer may accept such Goods or Services as the case may be pursuant to section 6 of these General Conditions.
- 1.2. "Buyer" means each of Fontana Pietro s.p.a., Fontana Pietro Kalip Sanayi Ve Ticaret A.S., S.C. Fontana Pietro Romania srl, Future Projects, and any successors or assignees of each of such companies. In General Contractor Agreements, the Buyer may be defined as "principal".
- 1.3. "Buyer's Customer" means the ultimate owner, lessee or user of the Goods and/or Services and/or end-products or end-services incorporating the Goods and/or Services provided by Supplier.
- 1.4. "Confidential Information" means any and all: (a) trade secrets concerning the business and affairs of Buyer, its industrial and/or intellectual property rights (regardless whether patented or not), product specifications, data, know-how, formulae, recipes, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, advertising and marketing plans, studies or strategies, computer software and programs (including object code and source code), database, systems, structures and architectural layouts or installations (and related formulae, compositions, processes, improvements) and any other information that would otherwise constitute a trade secret; (b) information concerning the business and affairs of Buyer (which includes historical financial statements, financial projections and budgets, historical and projected sales, spending budgets, the names and backgrounds of key personnel, personnel training and techniques and materials), however obtained; and (c) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Parties containing or based, in whole or in part, on any information included in the foregoing.
- 1.5. "Confidentiality Agreement" means the non-disclosure agreement, a copy of which can be found at the web page www.fontana-group.com, whose provisions will be deemed to be integral part hereof.

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- 1.6. “General Conditions” means these general terms and conditions of purchase and contract.
- 1.7. “General Conditions of Contract” means the general terms and conditions of contract, provided for under the relevant title of these General Conditions.
- 1.8. “General Contractor Agreement” means any agreements, entered between the Buyer and the Supplier, governing the provision by the Supplier of a Work or Services.
- 1.9. “Goods” means raw materials or other materials, goods, dies, casts, machinery or other, software, drawings, data, reports, manuals, other specified documentation, or any other items indicated as purchased items pursuant to, or in connection with, an Order, or indicated as object of the Work provided for by the relevant General Contractor Agreement, and, where the context requires, such services as are necessary and incidental to the delivery of Goods under the Order.
- 1.10. “Order” means a paper or electronic purchase order, including scheduling agreement, other authorizations or change notices, supplements or modifications thereto, sent by Buyer to Supplier to purchase Goods and/or Services or the orders provided for by the General Contractor Agreements.
- 1.11. “Party” means Buyer and/or Supplier as the context requires.
- 1.12. “Price” means the price agreed by the Parties as consideration for the Goods or the Services object of Orders or, as the case may be, for the Works or the Services object of General Contractor Agreements.
- 1.13. “Services” means any services, including without limitation design, engineering, transport, installation, repair and maintenance, indicated as purchased items pursuant to an Order, save for services necessary and incidental to the delivery of Goods under any Order.
- 1.14. “Special Conditions” means the terms and conditions of the Supply specified by Buyer in Orders or in General Contractor Agreements.
- 1.15. “Specifications” means all and any technical drawings, technical instructions, guidelines and quality procedure, standards and/or other requirements which Goods, Works and Services must comply with, provided by the Buyer or included in the General Contractor Agreement.
- 1.16. “Supplier” means any individual or company providing the Goods and/or Services indicated in Orders or performing the Works or the Services indicated in General Contractor Agreements or otherwise performing work in favour of Buyer. In General Contractor Agreements, the Supplier may be indicated also as “general contractor”; in General Contractor Agreements with an association or syndicate of businesses (*consorzio di imprese*), to the purposes hereof the Supplier will be the company taking part to the said association or syndicate and indicated as “assignee” in the relevant General Contractor Agreement.
- 1.17. “Supply” means the Goods and/or Services indicated in Orders, or the Works or the Services indicated as object in the relevant General Contractor Agreements, deemed as a whole, regardless the time schedule agreed between the Parties for the delivery of the whole Goods and/or the performance of the whole Services.

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- 1.18. “Work” means any activities of transformation or development of material, indicated as object of General Contractor Agreements.

2. Object

All the contractual relationships arising from Orders or from General Contractor Agreements entered by the Buyer are subject to these General Conditions and to the relevant Special Conditions, notwithstanding any prior agreements or usages of trade between the Parties. In case of conflict between the General Conditions and the Special Conditions, these General Conditions apply.

3. Orders Acceptance - Cancellation – Changes

- 3.1. Supplier shall be deemed to have accepted an Order in its entirety without modification or addition, when Supplier either acknowledges such Order or begins the performance of it, whichever occurs first. In any case, Orders shall become firm and binding for Supplier unless the Supplier objects in writing within five (5) days from receipt.
- 3.2. The Supplier’s acknowledgment of, or the full or partial performance of, Orders or as the case may be General Contractors Agreements shall be deemed acceptance of these General Conditions, as well as of any Special Conditions. These General Conditions shall be considered accepted by Supplier even if they differ from its general or special terms and conditions. The performance of Orders and/or General Contractors Agreements by Supplier under no circumstances shall imply the acceptance by the Buyer of the Supplier’s general or special supply terms and conditions.
- 3.3. Any and all exceptions or additional conditions to these General Conditions shall be binding to the Buyer only if expressly agreed upon in writing by it.
- 3.4. Buyer may cancel Orders and/or terminate General Contractors Agreements at any time prior to the acceptance by Supplier. Buyer reserves the right to cancel or to modify Orders or as the case may be terminate General Contractors Agreement, in particular with reference to quantities, construction details and modalities of performance, even after such Orders are deemed to have been accepted by Supplier pursuant to section 3.1 above in which cases it shall immediately notify the Supplier. In case of cancellation of Orders or termination of General Contractor Agreements, totally or partially, the Supplier will have the right to be paid the Price applicable to the cancelled Supply in the amount accrued (if any) as at the date of the cancellation of the Order. In case the amendment requested by Buyer involves a material variation to the costs or to the other Special Conditions of the Supply, Supplier may request a review of the relevant Special Conditions within five (5) days from the Buyer’s notice of change. Should no written request of review be received by Buyer within the above indicated five (5) days term or no agreement be reached within the five (5) days following the receipt by Buyer of the Supplier’s request, the Special Conditions originally indicated in the Order or General Contractor Agreement shall apply.

4. Delivery

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- 4.1. Unless otherwise specified in writing, the Supplies shall be delivered – or as the case may be performed - DDP (Incoterms 2010) to the Buyer’s plant or to the different destination indicated. All Goods shall be properly packed, marked and shipped in accordance with Buyer’s transport Specifications and, in any event, in accordance to the best standards. Supplier shall be responsible for all costs and charges of packaging, handling, sorting, storage, shipping, insurance, customs duties and other transportation charges, unless otherwise stated in the relevant Order or General Contractor Agreement.
- 4.2. Delivery time and quantities are of essence with respect to any and all delivery schedules agreed in connection with Orders or General Contractor Agreements. Any premium shipping expenses and other related expenses necessary to meet the terms of the delivery schedules shall be Supplier’s sole responsibility. In case of delays, the Buyer will have the right, at its exclusive option: (i) to be paid an amount equal to 0,5% of the value of the not delivered Supply (or portion of the Supply) per each day of delay, up to a maximum of 5% of said value, as penalty pursuant to art. 1382 of the Italian Civil Code, and/or to (ii) to cancel the relevant Order and/or as the case may be terminate the General Contractor Agreement, in full or in part, and/or purchase all or a portion of the cancelled Goods and/or Services from third parties, at expenses and risks of Supplier who will be informed by Buyer; in any cases without prejudice to the right of Buyer to be indemnified and kept harmless from any and all further direct, consequential and other damages, losses, costs, charges and expenses incurred by Buyer in connection with the failure of Supplier to timely deliver conforming Goods and/or, as the case may be, Services.
- 4.3. Deliveries in advance of scheduled dates or of quantities in excess of those authorized by Buyer shall be at Supplier’s risk of loss, and may, at the sole option of Buyer, be returned to Supplier at Supplier’s expense or disposed of by Buyer without any liability towards Supplier. Buyer shall have no obligation to accept any whole or partial Supply in advance and, if accepted, Buyer shall only pay for Goods and/or, as the case may be, Services, actually delivered and deemed conforming to the purposes of these General Conditions , but the payments terms of the relevant invoices will be postponed of a number of days equal to the advance days on the delivery schedule. Moreover, the Buyer has the right to invoice the Supplier for storing expenses borne for the Goods in excess or delivered in advance of the scheduled timing.
- 4.4. The delivery notes or other equivalent carriage documentation accompanying the delivered Goods, shall specify the relevant Order’s number and date of issue or as the case may be the relevant General Contractor Agreement’s reference data, (where requested) Goods’ bar-codes matching Buyer’s ones and package numbers.

5. Documentation

Without prejudice to what provided under the General Conditions of Contract, each Supply shall include the following documentation (where applicable):

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- Declaration of Supplier confirming to have inspected and/or as the case may be tested the Supply and certifying the compliance of such Supply to the Buyer's Specifications, including testing documentation;
- Certification of conformity of the Supply to the applicable European and Italian laws, with particular regards to any relevant technical standards, including testing documentation;
- EC marking;
- User and maintenance manuals, diagrams and lists of spare parts, to be drafted in English and Italian language;
- Others certificates of conformity, as specifically requested in the relevant Orders.

6. Supplies Acceptance – Conformity of Supplies

- 6.1. Buyer shall have the right to inspect and/or test the delivered Supply at a reasonable time and in any reasonable manner. The taking of the deliveries of Goods and/or Services by Buyer and/or the payment by Buyer of the Price under no circumstances will be deemed as acceptance – as to the quantities and/or quality and/or conformity - of the Supply by the Buyer, unless in the case the Goods and/or Services are inspected and/or tested at the time of the taking of the delivery and the successful inspection and/or testing has been confirmed in writing by Buyer.
- 6.2. The right of the Buyer to inspect and test the Supply does not imply that Supplier is exempted from testing the Supply and certifying the quality and compliance of the Supply to the Buyers' Specifications. The missing of the declaration of Supplier confirming to have inspected and/or tested the Supply and certifying the compliance of the Supply to the Buyer's Specifications, including testing documentation, is deemed to constitute a non-conformity of the Supply.
- 6.3. Buyer may provide written notice of acceptance of the Supply to Supplier. However, in the absence of Buyer's written acceptance and notwithstanding (i) prior testing and/or inspection of, (ii) payment for, (iii) use of or (iv) delivery of the Supply, Buyer's acceptance shall not be deemed to occur prior to twelve (12) months following Buyer's receipt of Supply. Transfer of title to Buyer shall not constitute acceptance of the Supply.
- 6.4. During the Acceptance Period, Buyer may: (i) reject all or a portion of any non-conforming Supply; (ii) accept all or a portion of such non-conforming Supply with a price reduction; or (iii) accept any conforming Supply and reject the non-conforming portion of it, in any case by giving Supplier written notice of rejection or acceptance with discount. It is understood that to the purposes of these General Conditions, a Supply is non-conforming when the Goods and/or the Services provided by the Supplier do not meet the quality standard indicated in the Order and/or in the General Contractor Agreement and do not comply with the Specifications provided by the Buyer and to the quality and technical standards and requirement set by the applicable laws.
- 6.5. Supplier shall replace the non-conforming Supply at its own care and expense, immediately and in any case within five (5) days from Supplier's receipt of the Buyer's notice of reject; or, at Buyer's sole and exclusive option to be confirmed in writing to Supplier, issue a credit note of an amount equal to the Price of the rejected Supply or portion of Supply; or, at Buyer' sole and exclusive discretion to be

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confirmed in writing to Supplier and at Supplier's sole expense, require Supplier to repair any or all non-conforming Supply, either at Buyer's plant or at any other location designated by Buyer. Goods returned by Buyer hereunder shall be shipped at Supplier's expense and risk of loss.

- 6.6. Notwithstanding any other provisions hereunder, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from non-conforming Goods, including but not limited to labour and other costs related to transportation of Goods, removal, disassembly, analysis, reinstallation, re-inspection, retrofit, and any and all other such corrective action costs incurred by Buyer.

7. Prices and Payment Terms

- 7.1. Prices and the relevant payment terms and conditions as set forth in Orders or, as the case may be, in General Contractor Agreements, are fixed. Any and all taxes, imposed or levied in connection with the Supply shall be borne solely by the Supplier, unless otherwise expressly agreed between the Parties in writing. Supplier solely is responsible for the fulfilment of Supplier's obligations for collecting and remitting taxes from Buyer to the proper tax authority. Any penalties, fees or interest charges imposed by a tax authority or other authority as the result of non-payment of taxes collected by Supplier from Buyer will be borne by Supplier.
- 7.2. Upon delivery of the Supply pursuant to the relevant Order or General Contractor Agreement, Supplier will promptly issue an invoice in accordance with the Order or, as the case may be, the General Contractor Agreement and subject to these General Conditions. Each invoice shall set forth the Order's number and date or the reference data of the General Contractor Agreement, quantity, delivery date and Price of the Supply. Buyer may reject invoices not complying with the above information requirements. The invoices shall need to be received by Buyer within the day 10th of the month immediately following the delivery date of the Supply, as confirmed by the Buyer. The payment terms indicated in the Orders shall be calculated from the date conforming invoices are received by Buyer. In case of conforming invoices received by the Buyer after the day 10th of the month immediately following the delivery date, the payment terms indicated in the Orders shall be calculated from the last date of the month of receipt of the relevant invoices. Payment will be made by wire transfer on the bank accounts indicated by Supplier.
- 7.3. All payments are subject to adjustment for shortage or rejection in accordance with these General Conditions.
- 7.4. Prices may not be increased unless authorized by an amended Order issued and signed by an authorized representative of Buyer. Supplier represents and warrants that the Prices and terms of Supply covered by the Order are no less favourable than prices and terms applied by Supplier to any other customers for the same or similar supplies. Should more favourable prices or terms be provided to any other customers for the same or similar supplies, Buyer shall be entitled to the same more favourable prices and terms and where the case to an appropriate credit in an amount equal to the difference between to the price originally offered to Buyer and the more favourable price applied to other Supplier's customers for the same or similar supplies.

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8. Further Covenants

- 8.1. The Supplier will comply to all Specifications provided by Buyer.
- 8.2. The Supplier will apply to the Buyer the best possible conditions as to prices, discounts, payment terms, warranties and technologies.
- 8.3. The Supplier will comply with all laws, rules, regulations, orders, conventions and standards (including industry standards) of the countries of origin and destination of the Supply and relating to the manufacture, labelling, transportation, import, export, licensing, approval or certification of the Good and/or, as the case may be, the Services, including, but not limited to, those relating to data protection, environmental matters, storage, movement, recycling, destruction or disposal of waste materials, wages, hours and conditions of employment, sub-contractor selection, discrimination, occupational health/safety and motor vehicle safety. Upon Buyer's request, Supplier shall certify in writing its compliance with the foregoing.
- 8.4. In case of Works or Services to be provided by Supplier at the Buyer's plants and offices or, as the case may be, at the Buyer's Customer plants and offices, the Supplier will comply, and will cause its representatives, employees, agents, consultants, sub-contractors (where applicable) comply, with all regulations, standards and possible opening hours in force at such plants and offices, and save any further obligation of compliance to be deemed applicable under these General Conditions of Contract.
- 8.5. Supplier will provide Buyer with any spare parts necessary for a period of 15 years at current market prices, and warranting that such spare parts will be produced on a continuous basis.
- 8.6. Supplier will take the maximum care and effort to safeguard and maintain in good order and service, at its own risk and expenses, including both the routine and the emergency and extraordinary maintenance expenses, any goods and/or machineries, including but not limited to materials and casts , which have been provided to it by the Buyer in connection to one or more Supplies ordered to the Supplier. For the whole period of time during which such goods and machineries are kept by the Supplier, it will provide the Buyer periodically, and in any case at least once a year, with an comprehensive inventory. The goods and the machineries provided to the Supplier as per this section 8.6 will remain at the Buyer's disposal and the Buyer will have the right to inspect and/or to use such goods and machineries at any moment. The Supplier will indemnify and hold the Buyer harmless of any losses or damages to such goods and materials, which losses and damages will be promptly communicated to the Buyer.

9. Representation and Warranties of Supplier - Remedies

- 9.1. In addition to the warranties granted by Supplier under other sections of these General Conditions and under the applicable laws and with no prejudice thereto, the Supplier expressly represents and warrants to Buyer and Buyer's Customers that all Goods, Works and/or Services provided by the Supplier: (i) have been manufactured and/or carried out in strict accordance with the Specifications as well as with the highest state of the art, quality and technical standards applicable to such Goods,

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Works and/or Services, and in full compliance of all applicable laws, (ii) are free from any defects, non-conformities and/or deficiencies (whether concealed or apparent), (iii) are fully suitable to the purposes intended and, if applicable, in perfect working order.

- 9.2. The warranty for defects, non-conformities and/or deficiencies referred to in section 9.1 is deemed to be granted by the Supplier for a period equal to the warranty period granted by Buyer to Buyer's Customers in connection with the Goods and/or, as the case may be, the Services provided by Supplier to Buyer, and in any case no shorter than 36 months. The same warranty and warranty periods apply to the Goods and/or, as the case may be, Services replaced, repaired or performed again by Supplier pursuant to section 6 above.
- 9.3. Defects, non-conformities and/or deficiencies (whether concealed or apparent) may be notified by Buyer to the Supplier within sixty (60) days from their detection. Upon receipt of aforesaid notification, and without prejudice to any other remedy provided for by the law, the Supplier shall promptly cure the defects, non-conformities and/or deficiencies, by replacing or, at the Buyer's choice, repairing the defected or non-conforming Goods and/or, as the case may be, Services.
- 9.4. If the Supplier fails to promptly remove the defects, non-conformities and/or deficiencies or in case of urgency, Buyer shall have the right to proceed personally to the removal, by using its own personnel and/or third parties, in any case at costs and expenses of the Supplier.
- 9.5. Without prejudice to the provisions under sections 9.3 and 9.4 above, Buyer shall be held harmless and indemnified by Supplier (i) for all the damages suffered and costs incurred (including without limitation, the costs incurred in reporting the damages and/or deriving from plant shutdowns and any legal costs) as a result of the existence of the defects, non-conformities and/or deficiencies or failure and/or delay in remedying such defects, non-conformities and/or deficiencies, and (ii) for all possible claims and damages which Buyer may incur as a consequence of the breach of the warranties granted by the Supplier pursuant these General Conditions and/or pursuant the applicable laws, including but not limited to those governing products liability, hazardous products, healthiness and security on workplaces , in force at the time; in any cases, Buyer reserving the right to quantify such damages and invoice the resulting amount directly to the Supplier.

10. Default and Remedies

- 10.1. Supplier shall be in default if: (a) Supplier does not comply with the relevant Order or General Contractor Agreement in all respects, (b) any Goods and/or Services are defected, non-conforming and/or deficient , regardless such defects, non-conformities and/or deficiencies are discovered before or after acceptance of the relevant Supply by Buyer, (c) any of the representations and warranties granted by the Supplier pursuant to these General Conditions are not true, correct or complete or are misleading, (d) in the event of assignment of substantially all of the assets of the Supplier to its creditors, (e) in the event Supplier becomes insolvent, (f) in the event of a petition, whether voluntary or involuntary, for bankruptcy, insolvency, receivership, reorganization or for an arrangement or composition with creditors, is filed or (g) at any time in Buyer's sole judgment Supplier's financial or

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other conditions are such as to endanger the quality and conformity of the Supply or Supply's timely performance.

- 10.2. In any case of default of the Supplier, without in any way limiting any of the rights and remedies otherwise available to Buyer, Supplier shall indemnify and hold harmless Buyer, its representatives and employees, from and against any loss, liability (including, but not limited to, liability for death or bodily injury, destruction or damage to property), claims, suits, damages (including incidental and consequential damages) to individuals or Buyer's or third parties' assets, or expenses (including costs of investigation and defense and reasonable attorney's fees) incurred by Buyer and arising directly or indirectly from, or in connection with the Supply.
- 10.3. Upon any default under these General Conditions, in addition to all other remedies hereunder, including but without limitation to remedies provided under section 6 above, or under applicable law, Buyer may cancel all or a portion of the Order or terminate a General Contractor Agreement without liability, save for the obligation to pay the Price for conforming Goods, Work or Services actually received by Buyer prior to such cancellation or termination and accepted in accordance with these General Conditions.

11. Inspections and auditing

Pending the performance of an Order or of a General Contractor Agreement by Supplier, Buyer shall have the right (i) to carry out inspections on the Supplies by means of inspections to the production plants of the Supplier and its sub-contractors. The inspections shall be carried out at Buyer's discretion and expenses, it being however understood that the Supplier will be not released from any obligations or liabilities; and (ii) to inspect the Supplier's and the Supplier's sub-contractors' books and documents; in both cases by giving a five (5) days prior notice. Buyer undertakes to adopt all the necessary precautions to ensure that all the information collected during such inspections and audits are kept confidential.

12. Right of Repetition

In the event the Supplier fails to perform an Order, Buyer shall have the right to retain the sums due for previous Supplies, even if these do not relate to such Order, to cover the damaging consequences caused by the non-exact performance of the Order.

13. Confidentiality

13.1. Without prejudice to the provisions of the Confidentiality Agreement, which the Supplier declares to have read and accepted, Supplier acknowledges that (a) in connection with the negotiation and/or performance of the Orders and/or the General Contractor Agreements will be afforded access to Confidential Information; (b) disclosure of such Confidential Information could have an adverse effect on Buyer and its business; and (c) the provisions of this section are reasonable and necessary to prevent the improper use or disclosure of Confidential Information.

13.2. During the term for the performance of the Order and of the General Contractor Agreements and for a period of five (5) years following the last Order or General Contractor Agreement accepted by

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Supplier, Supplier undertakes that: (i) it shall hold in confidence the Confidential Information and will not disclose them to any person except with the specific prior written consent of Buyer or except as otherwise expressly imposed by the applicable laws; (ii) no Confidential Information shall be reproduced or used by Supplier save in connection with the performance of the Orders or the General Contractor Agreements nor will such Confidential Information and/or copies, reproductions, abstracts, sketches, or other physical embodiment of any such Confidential Information be held in Supplier's possession for a period longer than necessary for the use for which they were received. None of the foregoing obligations and restrictions applies to any part of the Confidential Information that Supplier demonstrates was or became generally available to the public other than as a result of a disclosure by Supplier.

14. Industrial and Intellectual Property

- 14.1. If in connection with the carrying out of Orders or General Contractor Agreements the Supplier develops materials, semi-materials, products, works and/or processes of an original intellectual and/or industrial nature (each an "Invention"), whether patentable or otherwise, it shall (i) promptly inform Buyer and provide it with all the information and documentation useful and necessary for the evaluation and the production of any of such Inventions; and (ii) grant a licence – on a free of charge and perpetual basis – to Buyer with the right to manufacture or perform such Inventions – either directly or through third parties – and to sell and use them, in Italy and abroad. If the aforesaid Inventions have been developed by the Supplier in relation to a specific assignment received by Buyer, such Inventions and any exclusive industrial rights to them, shall become property of Buyer.
- 14.2. Supplier expressly represents and warrants that the performance of Supplies does not breach any third party's industrial and/or intellectual property rights, in Italy or abroad. The Supplier therefore agrees to hold harmless and indemnify Buyer against any claims, costs and expenses (including legal expenses) and damages incurred by Buyer as a consequence of the infringement by Supplier of patents, licences, know-how and industrial and/or intellectual property rights of third parties in connection with the Goods and/or the Services provided to Buyer. In the event of disputes regarding such exclusive industrial and/or intellectual rights of third parties, the Supplier will also cooperate with Buyer to ensure to Buyer both an appropriate and comprehensive legal assistance and no interruption or disruption of the business activity of Buyer. To this last regard, at Buyer's request Supplier shall cause that Goods and/or Services provided to Buyer and infringing such third parties rights are promptly replaced with other goods and/or services equivalent as to quality, functionality and use.

15. Sub-contracting

- 15.1. The Supplier shall manufacture the Goods and shall carry out the Works or Services described in the Orders or in the General Contractor Agreement directly and shall not sub-contract any activities relating and/or connected to such manufacturing and provisioning to sub-contractors, unless previously authorized in writing by Buyer.
- 15.2. The request of authorization to sub-contracting all or a portion of the activities of manufacturing of the Goods and/or performance of the Works and/or the Services by the Supplier shall be made in writing

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by way of providing the Buyer with the form for request, duly printed on Supplier's headed paper and duly filled with all the requested information.

- 15.3. In any case, Supplier solely will be liable towards Buyer for the Orders. As a consequence, Supplier expressly agrees to hold harmless and indemnified Buyer against any claims, costs, expenses, burdens and demands for compensation filed against Buyer by sub-contractors and/or third parties in relation to the performance of the Supplies.

16. Change of control

Buyer may terminate the Order and/or the General Contractor Agreement, in whole or in part, without liability or obligation to Supplier (other than to pay the Price for the conforming Supply actually delivered and accepted by Buyer pursuant to these General Conditions at the date of termination) upon a change of control of the Supplier. To the purposes hereof, a change of control includes: (i) the sale or other disposition of a substantial portion of the assets used in the production of the Goods and/or in the provision of the Services, (ii) the sale or other disposition of a controlling interest in the equity of Supplier or (iii) the execution of a voting agreement, proxy, trust or other agreement with respect to a controlling interest in the equity of Supplier. Supplier shall provide Buyer written notice of a change of control within ten (10) days after the change of control becomes effective. If Buyer elects to terminate the Order and/or the General Contractor Agreement pursuant to this provision, Buyer will provide notice of termination to Supplier specifying the effective date of the termination.

17. Miscellanea

- 17.1. Neither the failure nor any delay by the Buyer in exercising any right, power, or privilege under this General Conditions and/or under the applicable laws will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

- 17.2. All notices, consents, waivers, and other communications under these General Conditions, an Order and/or the General Contractor Agreement, must be in writing and will be deemed to have been duly given when (a) sent by electronic mail, or (b) when received by the addressee, if sent by a recognized overnight delivery service or registered mail (in both cases, receipt requested), in each case as follow:

(i) If to Buyer, to the address indicated in the purchase order, to the relevant buyer or purchasing manager;

(ii) If to Supplier, to: _____,

or to such other addresses as a party may designate by notice to the other Parties pursuant to this section.

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- 17.3. The headings of sections in these General Conditions are provided for convenience only and will not affect their construction or interpretation. All words used in these General Conditions will be construed to be of such gender or number as the circumstances require.
- 17.4. If any provision of these General Conditions is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of these General Conditions will remain in full force and effect. Any provision of these General Conditions held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.
- 17.5. In case of conflict between the Italian version and the English version of these General Conditions, the Italian text shall be deemed original and binding, save for the declarations made by the Supplier under sections 19, 20 and 21 of the English version of these general Terms and Condition, which shall be deemed full and satisfactory provided that they are true, complete and fully compliant to what indicated in the above mentioned sections.
- 17.6. These General Conditions will be governed by the laws of the Republic of Italy without regard to conflicts of laws principles.
- 17.7. In case of any disputes regarding or connected to these General Conditions, their existence, validity, interpretation and/or their construction, the Parties irrevocably submit any of such disputes to the exclusive jurisdiction of the Courts of Lecco.

General Conditions of Contract

18. Organizational and business autonomy of the Supplier

The Works and/or Services to be procured pursuant to General Contractor Agreements will be performed by the Supplier with complete organizational and financial autonomy, and with assumption in full of responsibility for any business risks.

19. Technical and professional qualifications of the Supplier

- 19.1. The Supplier represents and warrant to possess, and that each of the contracting companies involved in the association of companies and each of self-employed workers whom it makes use of possesses, the technical-professional skills and qualifications needed to carry out the activities entrusted with the relevant General Contractor Agreement.
- 19.2. The Supplier agrees to deliver to Buyer, with respect to themselves and each of the relevant contracting companies and/or self-employed workers, no later than ten (10) days before the date of commencement of the work, a copy of the declaration form attached here to as Exhibit "A", duly printed on Supplier's headed paper, filled with all the requested information and signed by an authorized signatory of the Supplier.
- 19.3. In the case of sub- contracts, if provided in accordance with these Terms and Conditions, the Supplier will verify that the sub-contractors and/or self-employed workers possess the required technical - professional skills and qualifications, using the same criteria referred in Exhibits "A" and "B" hereto.

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19.4. To the purposes of these General Conditions “authorized signatory” means the individual granted by the Supplier with all relevant powers to state, execute and/or, as the case may be, sign in the name and on behalf of the Supplier, the documents to be provided by the Supplier pursuant to these General Conditions.

20. Dangers assessment

20.1. The Supplier will cooperate with the Buyer for the implementation of the measures for prevention and protection from dangers of accidents at workplaces which may occur in connection with the activities to be carried out under General Contractor Agreements, including the danger from interference among the activities of the various companies involved, or between such activities and those carried out by the Buyer at the production unit or the concerned construction site.

20.2. The Supplier represents and warrants that it has provided to the Buyer, in a true, correct, complete and not misleading way, the information required in the form entitled “Request for Information”, on the basis of which the Purchaser has drafted the assessment on possible dangers relating to the work site, a copy of which is attached to the General Contractor Agreement. The Supplier shall also promptly inform the Buyer of any changes to the information and/or documents provided to the Buyer for the purposes hereof, so to enable it to properly keep updated the dangers assessment plan, where necessary.

21. Start of activity

In addition to the documents, statements, certifications and/or information required by the foregoing sections 20 and 21, the Supplier shall deliver to Buyer, with respect to themselves and each of the relevant contracting companies and/or self-employed workers, no later than ten (10) days prior to the date of commencement of the work, a copy of the information listed under part 1 of Exhibit “B” hereto, and of the representations form attached hereto under part 2 of the above mentioned Exhibit “B”, duly printed on Supplier’s headed paper, filled with all the requested information and signed by an authorized signatory of the Supplier.

22. Execution of the General Contractor Agreement

22.1. The Supplier will perform the relevant activities at the production unit indicated by the Buyer in Orders or in General Contractor Agreements.

22.2. For the execution of the activities required, the Buyer will use equipment appropriate to the work to be performed, compliant to the applicable safety rules and standards of good practice and in any case such as to provide the necessary safety guarantees. In no event the Supplier will use instruments or equipment owned or held by the Buyer without their specific prior written consent. In this latter case, the Supplier acknowledges to be still required to check, prior to use, the means and equipment made available by the Buyer, including safety measures, and any possible comments of the Supplier will be reported in writing before starting work.

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- 22.3. The use and/or connection by the Supplier to the electricity, gas, water and/or web networks, will need to be authorized in advance by the Purchaser in writing.
- 22.4. The installation, use and assembly of plants, machineries or other technical instruments shall be in accordance with the standards of good practice and safety and hygiene rules, as well as to the instructions provided by the manufacturers of such plants, machineries and technical instruments.
- 22.5. The Contractor shall take all safety measures and precautions necessary to avoid that the execution of any activities causes hazards to the health and safety of their employees, contractors and/or any other persons the Supplier makes use of for the execution of the Work and/or Services and of the employees of the Purchaser, and more in general, of all the people present in the concerned plant or in the yard.
- 22.6. In particular, but without limitation to any other obligations imposed by applicable law or safety measure, the Supplier will be equipped with and will use, and will ensure that all staff, including the staff of the contracting companies, or, if provided for in accordance with these General Conditions, the staff of sub-contractors engaged in the performance of activities relating to the General Contractor Agreement is equipped with and use, personal safety equipment adequate to the individual tasks and to the risks of dangers in the work environment in which such staff operate. The Supplier also undertakes to comply with and to ensure that all staff, including the staff of the contracting companies, or, if provided for in accordance with these General Conditions, the staff of sub-contractors engaged in the performance of activities relating to the General Contractor Agreements comply with, the provisions contained in the site guidelines and in the code of conduct prepared by the Buyer.
- 22.7. In the event of non-compliance with the provisions under sections 22.5 and 22.6 above, the Buyer will have the right, at its sole option and in addition to any other remedies available at law, (i) to suspend the work or expel the workers in default from the relevant production unit or building site, and/or (ii) terminate the relevant General Contractor Agreement for breach of contract.
- 22.8. The Supplier shall ensure that all the staff, including the staff of the contracting companies, the self-employed workers or, if provided for in accordance with these General Conditions, the staff of sub-contractors engaged in the performance of activities relating to the General Contractor Agreement hold a special identification card, indicating the identity of the relevant worker and the indication of its employer.

23. Price and payment terms

- 23.1. Without prejudice to the provisions under the foregoing sections 10 and 21, in the event of failure of the Supplier to provide the Buyer with the information and declarations as per part 2, point (i) of Exhibit B hereto, or any changes or updates to such information or to content of such representations, the Buyer will have the right to suspend the payment of the Price until the Supplier provides to the Buyer, in a way satisfactory it, all the required information on the performance of the obligations of payment of the compensations, social security contributions and insurance by the Supplier and/or of the executing companies and/or, as the case may be, sub-contractors with respect to the staff mentioned in the list referred to in part 1 of Exhibit B hereto.

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23.2. In case of lack of cooperation or response by the Supplier, as well as in case of no compliance, in the opinion of the Purchaser, of such obligations of payment of the compensations, social security contributions and insurance by the Supplier or, as the case may be, by the contracting companies and/or sub-contractors, the Buyer will have the right to terminate, with immediate effect, the General Contractor Agreement and will have the right to be indemnified and keep harmless from any and all damages. It is understood between the Parties that in such cases the Supplier shall not raise any objection and have no claim for any damages or interests for such suspension, delay and/or failure to pay the Price by the Buyer.

24. Other Obligations, Representations and Warranties of the Supplier

24.1. The Supplier shall execute and maintain, with a leading insurance company and for the entire duration of the General Contractor Agreement, an insurance policy appropriate to cover any risks associated with the activities carried out in connection with performance of the General Contractor Agreement and applicable to any activities performed by any persons in connection with such performance.

24.2. The Supplier represents and warrants (i) to possess the capacity and organization appropriate to the activities covered by the General Contractor Agreement, (ii) not be subject to any obligations or restrictions which might affect the performance of these activities, (iii) that their employees, or the employees of the contracting companies, or the self-employed workers or, if provided for in accordance with these General Conditions, the staff of sub-contractors engaged in the performance of activities relating to the General Contractor Agreement, are aware of the dangers existing in the workplace as highlighted by the Buyer, and (iv) that their employees, or the employees of the contracting companies, or the self-employed workers or, if provided for in accordance with these General Conditions, the staff of sub-contractors engaged in the performance of activities relating to the General Contractor Agreement, are adequately insured.

For acknowledgement and acceptance of these General Conditions.

The Supplier

(Date, signature and stamp)

According to articles 1341 and 1342 of the Italian Civil Code, the Supplier hereby specifically approves the terms set out in the following sections: 3 (Orders Acceptance - Cancellation – Changes), 4 (Delivery), 6 (Supplies Acceptance – Conformity of Supply), 7 (Prices – Payment Terms), 8 (Further Covenants), 9 (Representations and Warranties of Supplier), 10 (Default and Remedies), 15 (Sub-contracting), 16 (Change of control), 17.6 (Applicable Law), 17.7 (Exclusive Jurisdiction), 22 (Execution of the General Contractor

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Agreement), 23 (Price and payment terms) and 24 (Other Obligations, Representations and Warranties of the Supplier).

The Supplier

(Date, signature and stamp)

As acknowledgment and acceptance
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Exhibit “A”

Technical and professional qualifications of the Supplier

The Supplier represents and warrants - with respect to themselves and to each of the contracting companies and/or self-employed workers (if applicable) - that:

- (i) They are a company / self-employed worker duly existing and registered with the competent Register of companies (or similar authority competent over companies) / bar (or similar authority competent over self-employed workers);
- (ii) They are statutorily allowed to carried out the activities (or similar activities) to be procured under the General Contractor Agreement;
- (iii) They possess the technical and professional qualifications needed pursuant to the applicable law to carried out the activities (or similar activities) to be procured under the General Contractor Agreement signed on ... between the Buyer and the Supplier;
- (iv) The following individuals are authorized signatories (as defined under section 19.4 of the General Conditions) of the Supplier:

Name and Surname:

Date and place of birth:

Title:

The above representations and warranties are to be downloaded and printed on headed paper of the Supplier and to be signed by the authorized signatory of Supplier.

As acknowledgment and acceptance
(Supplier’s authorized signatory and company’s stamp)

Exhibit “B”

Start of the work

Part 1

List of the information to be provided by the Supplier with respect to themselves and each of the contracting companies and/or self-employed workers (if applicable):

- (i) Name and personal details of the individual who is the legal representative of the Supplier in charge with the organization of any working activities in the name and on behalf of the Supplier, with particular regard to the health and safety of working places, with full power and responsibility and no limitation or exemption thereof;
- (ii) List of employees and self-employed workers that will be used by the Supplier for the performance of the Work or Services under the General Contractor Agreement, including employees and self-employed workers of or used by the contracting companies or, where applicable in accordance with these General Conditions, the employees of and self-employed workers used by sub- contractors, for each of them with details of their personal data and functions;
- (iii) Insurance policy executed by the Supplier with one leading insurance companies, to cover damages from civil and/or criminal liability to any persons and/or property caused by any of the individuals listed under the above points (i) and (ii) and/or by third parties in connection with the performance of the General Contractor Agreement, with a duration equal minimum to the duration of such Agreement, providing in favor of the Buyer a coverage appropriate to the risks inherent to the activities to be carried out in connection with the execution of the General Contractor Agreement.

Part 2

The Supplier represents and warrants - with respect to themselves and each of the contracting companies and/or self-employed workers (if applicable) - that:

- (i) The personnel listed under point(i) and (ii) of part 1 of this Exhibit B, are paid properly salaries, regularly and promptly, the relevant social security contributions and considerations have been paid to them and/or, as the case may be, to the competent authorities, and they are covered by the insurances provided for under section 24.1 of the General Conditions;
- (ii) No individual indicated under point (i) or (ii) of part 1 of this Exhibit B, have breached any applicable laws on labor, working permits and/or immigration and visas, and none of them is working or cooperating in breach of such laws;
- (iii) With respect to any workers or employees performing electrical work, that they possess the certifications PEI -PES -PA, CEI -11- 27/1, or any other certifications or qualifications, assessed as equivalent at the discretion of the Buyer, attesting that they are expert and qualified to perform the electrical work, pursuant to the applicable laws;
- (iv) With respect to the any workers or employees involved in the execution of activities on site, that they have been appropriately trained and qualified to perform the assigned work, with particular regard to

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the use of overhead crane and/or mechanical instruments of labor, and that they possess the necessary physical and psychological skills and abilities, as attested by the competent doctor, to perform the tasks covered by the General Contractor Agreement.

The above representations and warranties are to be downloaded and printed on headed paper of the Supplier and to be signed by the authorized signatory of Supplier.

As acknowledgment and acceptance
(Supplier's authorized signatory and company's stamp)
