

1. Application

1.1 The following general purchase conditions (the "Conditions") constitute an integral part of all contracts based on the supply (a) of products of which manufacture or service was ordered by Ergotech S.r.l. (the "Buyer") to any supplying company (the "Supplier") (the Buyer and the Supplier will be jointly referred to as the "Parties") and/or (b) any other products or manufactures shown by purchase orders emitted by the Buyer in favour of the Supplier. Acceptance by the Supplier of each and every order by the Buyer will follow these Conditions, in exception of different agreement stated by the Parties; nevertheless it remains understood that in case of conflict of one or more terms of these Conditions and/or one or more terms of the Separate Technical Agreement agreed between the Parties, these Conditions will prevail. In every instance, potential Supplier sale conditions will not be applicable, not even partially, if not expressly approved in writing by the Buyer

2. Legally Binding Contracts

2.1 The Buyer will be able to demand that one or more contracts between Buyer and Supplier be legally binding in condition that the Supplier has returned to the Buyer - previously acceptance of the order or at the latest contextually - set Conditions stamped and signed, even for acceptance under Article 1341 of the c.c.. Signatures must be by a legal representative of the Supplier in possession of the necessary legal powers and in any case the Buyer is exempt of any verification.

2.2 If within 20 days from the date of the Buyer's order (unless ulterior disposition is given) the Supplier has not expressly accepted the order and the Buyer received set Conditions countersigned by the Supplier according to the previous statements (if not already previously undersigned), the Buyer will be allowed to deem oneself free of any legal engagement, remaining understood that, where the supply be made, set Conditions will be considered accepted by the Supplier.

3. Terms of Delivery and Return

3.1 The Buyer has right to interpret the terms indicated in the Order (or, in case of an "Open Order", program of supply) as binding and essential in case of late or missed delivery, independent of the Buyer using or not set right, notwithstanding all other rights according to the contract or the law remain without prejudice of the Buyer in relation to the non-fulfillment of the Supplier and the relative prejudicial consequences.

3.2 Unless previously agreed in writing, the delivery of the products will occur at the Buyers factory. All costs and all risks relative to the transport of the goods are therefore completely at the Suppliers risk, until the delivery is made according to previously stated conditions. Also all responsibility regarding the fitness of the products containers and packaging is at the suppliers risk.

3.3 The Supplier will conform in any moment to eventual requests of modifications of the technical specifications expressed in writing by the Buyer; such modifications will not involve any variation of pricing and other terms and conditions of the supply, exceptions made in case of (a) the modifications made are substantial and (b) the Supplier asks for a written renegotiation of the terms and conditions of the supply within 7 (seven) days of the reception of the modification request from the Buyer.

3.4 The Buyer is expressly authorized to deduct from the amount invoiced the possible damages and the Supplier will bear the costs under the current article 3.

4. Checks - Warranty

4.1 The Supplier takes upon itself to carry out, prior to the supply of the goods and/or services, checks and controls necessary to ensure the compliance of the supply to the technical specifications agreed upon normal custom, also in conjunction to the use the product is destined for (whereby the use is known by the Supplier). The Buyer reserves the right to carry out sample checks or even, with acknowledgement of the Supplier a "free pass" regime, whereby no checks will be made, without limiting the Buyers rights in any way regarding any possible defects or missed compliance of the product, nor determining any responsibility for the Buyer in correspondence to the use of set product in the productive/commercial cycle. It also remains understood that the fact that the Buyer accepts to personally collect (even from third parties) products supplied this does not entail any control burden for the Buyer, nor will it eliminate the Supplier's obligations to complete all tests and control listed in the Separate Technical Agreement and by the current article 4.1.

The same situation will not imply any contractual obligations between the Buyer and the possible third party whom might perform the collection even if case be it the third party, even if case be it the above-mentioned third party is appointed by the Supplier to perform a determined production phase; the Supplier will therefore remain the sole responsible towards the Buyer for in accordance to the terms present in the Separate Technical Agreement and the current article 4.1.

4.2 The Supplier will guarantee absence of flaws and the general condition of the supplied goods or services according to previously agreed upon specifications and the general trade custom, as well as to the technical details specified on the Buyer's drawing or in the Suppliers catalogues, unless stated differently in writing by the Buyer. The duration of the warranty is to last 24 (Twenty-Four) months and the Buyer must report the faultiness or bad condition of the goods or services within 60 days from the date of discovery of the faults. Reporting of defects or non-compliance will be understood as accepted by the Supplier if no reply is given within 15 (fifteen) days of the reception of a written directive by the Buyer. Non compliant products or product characteristics that are non repairable from the Buyers unchallengeable point of view will be returned to the Supplier at their cost and will be returned to the Buyer establishment.

In case of repudiation of the goods, all costs of assortment (sorting), packaging, storage, transport and shipment is understood to be borne by the Supplier; what's more the Supplier must designate location and mode of restitution. The Supplier will cover substitution and repair of the goods, in the shortest time possible, unless to do so will create higher costs for the Buyer including measures to adopt to eliminate faults and reduce damages. All other reserved rights due to the Buyer in the eye of the law (including the application of warranties that have a length or a context that is more favourable) against the non-conformity/faultiness of the goods and/or services provided, therefore including the right to rescind the contract that has as subject a defective/non-compliance product and/or service or any other kind of contract with the Supplier that has as subject products and/or services similar to those that are defective/non-compliance, whereby the defects or non-compliances are so to not consent continuation of the companies mutual trust.

4.3 The duration of the warranty of the repaired/substituted goods will be 24 (twenty-four) months from the moment of the repair/substitution.

4.4 The Supplier will commit to put in place all the necessary fulfillments to guarantee the traceability of every single element of the supplied goods, according to the possible reasonable requests of the Buyer and in conformity with the most advanced techniques.

4.5 The Supplier compels its self to consent access to the representative of the Buyer for inspections and checks regarding the methods of manufacture and/or testing methods implemented, previously arranging it with the Supplier.

5. Responsibility for Product's injuries - Insurance coverage for responsibility for product's injuries and other damages

5.1 The Supplier will commit to assure that the Buyer will be free of any responsibility regarding any damages caused by a defective product (that is, for damages to possessions or people caused by the non-conformity or defectiveness of the product) that could implicate the Buyer and/or the Supplier towards any possible third party (including the end users) regarding the non-conformity and/or defectiveness of the product at hand.

5.2 The Supplier will commit to provide a suitable insurance policy that covers any responsibility for damages generated by the product (that is, for damages to possessions or people caused by the non-conformity of the product) that will cover the Supplier from any possible third party (including the final users) in relation to the non-conformity of the supplied product. The above mentioned insurance policy must: (i) preview a limit of indemnity not inferior to EUR 1.500.000,00 (One million Five Hundred Thousand) for accidents, and (iii) the Buyer will have the possibility, in any instance with a simple request, to receive a copy of the above mentioned policy.

6. Prices and Invoicing - Documentation - Credit handovers

6.1 The price of the single products supplied is that shown time each on the Order. The invoices need to contemplate the particular objects of a single order (or, in the case of an "Open Order", of a single plan of supply) subject to the same I.V.A rate. What's more on these should be quoted: (i) the code indicated by Ergotech (ii) the number of the order/or, in the case of an "Open Order", the date of the supply plan), (iii) the DDT number, and (iv) the measuring units. The measuring units, both on the invoices and on the transport documents, will be indicated on the order or on the supply plan and however, in particular scenarios where this is not possible, it will need to be clearly stated the quantity reported by both measure units and the relation that exists between the two, (for example: metres "X" is to Kg "Y")

6.2 Shipped products must always be accompanied by the DDT number of which the DPR 472/96 or by a regular invoice. The DDT or the invoice must quote the following: (i) the company name, (ii) the code designated by Ergotech and product name, (iii) shipment date, (iv) number and date of order (or, in the case of an "Open Order", the date of the supply plan), (v) package number and any other necessary indications. If a situation arises whereby this information is incomplete or not correspondent to the information on the invoice and/or the documentation that need to accompany the shipment under the current article 6, the payment of the relative invoices will be suspended till the Supplier remedy the situation.

6.3 It is expressly forbidden for the Supplier to issue banker's drafts for the payments of the shipments. It is also expressly agreed that derived credits of the shipments will not be subject of cession (transfer), of special collection mandates or any other form of delegation, unless previously stated by the Buyer.

7. Payment Methods

7.1 Payments must be made following the methods and terms stated in the Separate Technical Agreement. If the Supplier fails to do so, the Buyer reserves the right to suspend temporary the payments of the shipment subject to contestation

8. Causes of Force Major

8.1 The Buyers and the Suppliers obligations derived from each order/plan of supply regulated by the current Conditions are considered suspended in case of force major's events. For this purpose events of force major are considered events that are, unpredictable and outside out of either parties control, that hinder the fulfillment of the obligations of one or both Parties, which, in a purely exemplificative form that has no limits, earthquakes, lightning, floods, national sector strikes, lock-outs, government injunctions, war, revolt, embargo, etc.. The party that intends to avail it's self of a suspension must make it know to the other party, in writing, within 15 (Fifteen) days from the start of the event and successively convey the cessation within 15 (Fifteen) days. The party hindered to fulfil their obligations will lend the up most cooperation to the other party to help minimise the damaging consequences of the event. If situation be it the event of force major lasts for a period exceeding 6 (six) months, the Buyer reserves the right to repudiate the contract without obligation owed, what's more the Supplier is obliged to render the amount already paid in relation to the missed shipment.

9. Duration - Modifications - Withdraw

9.1 The current Conditions will remain in operation for an undetermined period and the Buyer reserve s the right to modify them with a suitable forewarning (30 days in the first year of the supply, 60 days in a possible second year commenced and 90 in the third and all other successive years commenced) it remaining option of the Supplier to communicate to the Buyer within the end of the agreement one's unavailability to continue the relation with the new conditions and with the understanding that in absence of written communication the modification will be understood as accepted. In a situation of supply relations in an "Open Order" regime, the modification of the current Conditions will not take effect before the month for which, according to the open "Open Order", the supply plan highlights indicative quantities of which the Buyer is authorised to execute which ever variation without any further obligations.

9.2 It remains understood that in a hypothetical supply relation with a continuous of periodical execution, the Buyer will have the right to rescind from set relation by giving notice to the Supplier by use of a with the congruent warning mentioned in article 9.1, the Supplier as well has the right to rescind the contract by sending a letter sent by recorded delivery with acknowledgement of receipt, with a forewarning that consents the Buyer to find ulterior suppliers and, anyhow, not inferior to 180 (Hundred and Eighty) days.

9.3 In the hypothetical situation of withdraw it remains understood that the obligations of the Parties to give regular execution to supply contracts that have already been stipulated prior to the withdraw and in particular, in the case of an "Open Order"(a) the Supplier - unless otherwise requested by the Buyer - is expected to supply the Buyer with all programmed deliveries (like enforced on the date the communication of withdrawal was received by the suffering party) and (b) the Buyer is expected to respect the commitments established at its own expense from the above mentioned supply program, obligation terms regarding withdraw of products, materials, semi-finished goods or raw materials.

10. Equipment

10.1 The equipment (, moulds, specific equipment, controlling equipment, etc.) that the Buyer makes available for the Supplier for the execution of the supplies will remain property of the Buyer. The Supplier is responsible for any damage, distribution or loss of such equipment. In relation to this equipment the Supplier must:

- to register and countersign the equipment has property of the Buyer;
- to take care of them and utilise them with the up most care and provide for, at their own expense, the normal upkeep;
- to make the Buyer aware of extra upkeep, substitution and remakes necessary with the up most urgency, being understood that all decision making regarding the equipment is up to the Buyer and at the Buyer's cost less than the necessary changes not be due to improper use, negligence or any other causes attributable to the Supplier, if that be the case all costs will be charged on the Supplier.
- to not transfer the equipment outside of its own establishment if not in the limits authorised by the Buyer;
- to not to yield the equipment to third parties, not create warranties on them;
- to not utilise or let utilise it if not for the execution of the Buyer's orders, even after the end of the supply and however to not produce and/or yield to third parties under any circumstance and for no reason, directly or indirectly, to employ in production or for spare parts, products designed or produced by the use of these, if not authorised in writing by the Buyer;
- to follow the instructions which will be issued by the Buyer's order for their return, scrap or preservation at the end of the supply of the product for which the set equipment is employed for;
- for each delayed day in redelivering of set equipment in accordance with what stated in the previous point, The supplier will have to pay the Buyer a fine equal to 15% (fifteen) of the value of the equipment in question and, however, not inferior to EUR 1000 (One thousand Euros).
- 10.2 The dispositions that apply to the previous point 10.1 will also apply - except in case of evident incompatibility - to the raw materials, to the semi-worked and/or any other type of materials or asset the Buyer entrusts to the Supplier for the manufacture, or for the means of creating a supply relation regulated by current General Purchase Conditions.

11. Duty of Discretion - Industrial Property

11.1 The parties agree to maintain the maximum secretiveness regarding confidential information (which, in a purely explanatory manner and without limits, designs, prospects, documentations, formulas and correspondence) of technical nature and/or commercial nature which one might uncover during the execution of every supply relation regulated by the current Conditions. In particular, the Supplier agrees to, directly or indirectly through its' workforce and/or collaborators, for the entire duration of the supply relation in question and also after the end of set relation (for whatever reason this might occur) (i) to not diffuse, communicate or divulgate information that the Buyer intends to share, except with authorization written and signed by the Buyer, also (ii) to utilise this information exclusively in the limits that are strictly necessary for the precise execution of the supply contract.

11.2 The Supplier acknowledges, that in any case, the full intellectual property of the Buyer in relation to the technical and/or commercial information and all documentation that the Buyer that he might send the Supplier or the Buyer might send the Supplier in order to execute each supply relation under the current Conditions. Such supply relation, in fact, does not give the Supplier any right of intellectual property, nor any permission for the use of the above-mentioned information/documentation, if not for the strictly necessary use for the execution of the supply. In light of what just stated, the Supplier agrees, following the end of the above-mentioned supply relation (for whatever reason this might occur) (i) to immediately return the above-mentioned technical information to the Buyer and (ii) to not divulge set information to third parties, to ensure that set information will not become of public domain for causes not attributable to the Supplier.

12. Communication

12.1 Any communication that the parties will undertake in execution of any supply relation regulated by the current Conditions will need to report the number of the order (or, in the case of an "Open Order", the date of the supply plan) and will have to be sent to one of respective addresses indicated on the front space of the Order (or in the letter of "Open Order"), among which the possible e-mail addresses of each party, or to a successively supplied address communicated in writing from one Party to the other. And reserving possible differences in single disposition of the current Conditions or what written in the Separate Technical Supply Agreement.

13. Applicable Law and Ruling Court

13.1 Any relation created under the present Conditions is regulated by Italian law (with consequent application of the terms of the Vienna Convention 11 April 1980 regarding international sale contracts for mobile goods, where necessary and in a manners not repealed by the present Conditions clauses)

13.2 For every controversy inherent to the application of the present Conditions the ruling court will exclusively be that of the Court Of Ivrea; a partial waiver of the previously stated, the Buyer has at its own discretion the right to act in the jurisdiction of the Supplier's establishments (or other offices or warehouses) ruling court, particularly, and in a non limiting way, for the recuperation of goods or for the repayment of damages incurred. However it remains understood that, where the Supplier has its registered office in Italy, before the Parties take legal action they will try and settle any possible controversies related to the present Conditions c/o the Chamber of Commerce, Craftsmanship and Agriculture of the area where the Suppliers' establishment is situated, always provided that the action of setting is prescribed as by law enacted.

14. Miscellaneous

14.1 The present Conditions, the supply orders and all possible supply plans, as well as the clauses contained in the attachments of the Conditions and/or the orders, represent an agreement between Buyer and Supplier that nullifies and substitutes all previous agreements stipulated in regard to supply relations between the respective Parties.

14.2 Total or partial execution of the delivery of the goods by third parties must be previously accepted in writing by the Buyer, it being understood that the Supplier will remain directly responsible for the correct execution of the supply towards the Buyer, or potentially jointly with the third party, even with regards to possible damages.

14.3 In the case of one or more of the terms of the present Conditions or of individual agreements concluded in accordance with their result to be void or inefficient, the Conditions and/or the previously mentioned agreements will on the whole remain valid and the Parties commit to renegotiate in good faith the previously mentioned void or inefficient terms with agreements that are valid and efficient that have contents that are very similar.