

General Terms and Conditions of Purchase 08 / 17

EISENMANN Italia Srl

A. Conclusion and Scope of Contract

1. All our orders shall be subject to the following terms and conditions of purchase, even if no explicit reference is later made for permanent business relations. Amendments to these terms and conditions of purchase, in particular deviating or additional terms and conditions of the supplier, are hereby expressly rejected. Our failure to reply to an order confirmation, relating to deviating or additional terms and conditions of business shall not be deemed as agreement. Such conditions shall not achieve effectiveness for us, even in case of execution of the order. By executing the order, the supplier acknowledges our terms and conditions of purchase. Each amendment to our terms and conditions of purchase included in an order confirmation shall be deemed by us as rejection of our order. Number 3 sentence 2 shall apply accordingly. If the delivery or service is executed nevertheless, this shall be deemed as a consent to our terms and conditions of purchase.
2. Solely our purchasing staff shall be authorized to conclude contracts, or to order changed or additional services that entail extra charges. With the exception of changed or additional services for an extra charge of up to € 500, when our project manager or technician may be authorized to do so in individual cases.
3. The orders placed by us must be confirmed by the supplier without delay using the "Order confirmation with seal and signature" form. We shall reserve the right to cancel the order at no charge, if such written confirmation has not been provided within 8 work days.

B. Scope of Supply and Services

1. All services necessary for an orderly delivery and/or flawless manufacturing and assembly process shall be included in the scope of services of the supplier, even if they are not expressly stipulated in the contract.
2. If for installations and assemblies, the materials required for the execution of the services by the supplier are delivered or provided by us, the scope of services of the supplier shall also include unloading the materials from the respective means of transport, and transporting materials from the storage to the assembly site.
3. For the supply of machines and components, installations, maintenance work and assemblies, the scope of services of the supplier shall also include the documentation specific to this industry in electronic and paper format. The documentation must comply with the relevant regulations and generally acknowledged rules of engineering, as well as all applicable standards and statutory provisions applicable at the time of delivery (in particular, the EC Machine Directive insofar as is applicable). The regulations, standards and legal provisions currently applicable in Italy shall apply, insofar as these include further requirements to the site specified for the delivery/service, or the specified final destination of our delivery/service to the client.
4. If the order includes research, engineering, development, drafts or similar services, then the supplier shall be obligated to submit all results, especially engineering or manufacturing drawings as well as documentation, user manuals, etc. in electronic or paper form respectively.
5. Software must be delivered on standard data carriers in machine-readable, object program form only, along with the user documentation in electronic and paper form. When developing software, the scope of services shall also include supply of the software on standard data carriers in machine-readable source program form, as well as the documentation of the program development in electronic and paper form, and a manufacturer documentation; this shall also apply to later amendments and/or updates. The source program must be delivered in the program language advertised in the bid with extensive commentaries. The commentaries must be prepared in the language specified. Technical terms specified by us or our clients must be used. During final acceptance, the source and object programs as well as the documentation must be submitted, and must comply with the program status prevailing at the time of acceptance. If any software is changed or updated subsequently, the source and object programs as well as documentation including respective refer-

ences to the changes must be provided unsolicitedly. The respective current source and object programs can be requested at any time.

6. The supplier must check our plans, drawings and other information for the completion of the service, or materials and components provided by us, or services of other suppliers, for completeness, correctness and suitability for the intended purpose, to the extent as they concern him/her. The supplier must notify us immediately in writing, if he/she has any reservations or concerns. If he/she fails to do so, we shall be entitled to warranty claims; damage claims for any other reason shall remain unaffected. The approval of technical documentation of the supplier in the course of the order execution, shall not release him/her from his/her obligation of delivery and service free of faults and defects.

C. Remuneration

1. The agreed prices shall be deemed to be fixed prices DDP place of delivery as specified. Unless otherwise specified, the place of delivery shall be our head office in Saronno.
2. A claim for remuneration for changed or additional services, regardless of the legal cause, must be announced by the supplier before performance. In individual cases the announcement may be deemed unnecessary in good faith, for instance if the claim for remuneration is obvious, or in case of urgency. If the supplier fails to announce his/her remuneration claim, although no exemption under sentence 2 was granted, the remuneration claim shall be excluded. In case of changed or additional services, any excesses or shortfalls in performance must be equally considered for a potential remuneration claim.

D. Deadlines, Contract Penalty

1. The deadlines specified in the order or otherwise agreed, are deadlines for the receipt of delivery/successful performance, and shall be binding. Partial deliveries/services shall be subject to our prior consent.
2. The supplier shall undertake to notify us in writing without delay of any threatening delay in delivery, the reasons for such delay, and the anticipated duration of such delay.
3. If there are reasonable doubts before or after the due date concerning the supplier's ability or readiness to perform, in particular, because the supplier does not keep to the agreed time schedule, or does not provide sufficient manpower, or if the supplier already announces that he/she cannot or will not deliver on time, and if we have an urgent interest in clarifying the matter, then we shall be able set another deadline for the clarification and verification of his/her ability or readiness to perform, if required, already before the initial deadline or after. After the deadline has been past without fulfillment, we shall be able to terminate the contract by means of a declaration in writing according to Article 1456 of the Italian Civil Code (codice civile), while the right to assert damage claims shall remain reserved.
4. If the supplier is in default, we shall be entitled, regardless of any further legal claims and unless otherwise agreed, to claim a contract penalty in the amount of 1 % of the order value for each completed week of default (pro rata if underneath), but at maximum 5 % of the order value.

E. Supply and Service, Transfer of Risk, Force Majeure

1. The shipment must always include a delivery note, and a list detailing the package contents and stating our order number and order item must be enclosed with every package. The delivery note and list detailing the package contents must contain a quantity and a clear specification of the delivered parts. The specification must also be attached to the parts delivered for identification purposes. If the parts in a package are all identical, the indication of the specification on the package shall be sufficient. In cases where direct shipment to our customer is stipulated, a neutral delivery note must be used containing the EISENMANN order number and label to indicate that the delivery is executed on the behalf of EISENMANN. The supplier shall provide a notification of dispatch signed by the carrier in order to verify the invoice.
2. For purchasing contracts, the risk shall pass to us only upon delivery at the destination; for service contracts after acceptance only.

3. Labor disputes, interventions by authorities, interruption of operations, difficulties in obtaining material or energy supply, or any other unforeseeable exceptional circumstances for which we are not responsible, regardless in each case whether these circumstances occur in our company or at a third party (e.g. our client), shall release us for their duration from the duties to accept the shipment or accept the performance. We shall inform the customer of the occurrence and likely duration of any such events without delay. If due to these circumstances, the fulfillment of the contract has become impossible for us, or can no longer be considered economically reasonable, we shall have the right to terminate the contract with a declaration made to the other contractual party. In this case, the supplier shall be entitled to claim remuneration for the services rendered up to the respective notification only; there shall be no further claims. This shall not affect any of our statutory rights.

F. Invoicing, Terms of Payment

1. A single copy of the invoice shall be sent to us after the order has shipped. It must contain all order data, and must never be enclosed with the shipment. Partial invoices are only possible, if respective partial shipments have been ordered.
2. Unless otherwise stipulated, payment shall be made within 60 days net. The payment period shall start upon receipt of the invoice and all documents required, but at the earliest upon acceptance of the delivery or services, however, not prior to the receipt of an agreed collateral security. In case of any offenses due to the failure to perform, the payment period shall start after the supplier has remedied the situation only. The invoice shall be deemed as paid upon receipt of the credit transfer order by our bank.
3. In case of any defects, or any other existing offenses due to the failure to perform, we shall be entitled to refuse payment of the remuneration, or an appropriate part of the remuneration according to Article 1460 of the Italian Civil Code (codice civile).
4. Advance payments and progress payments shall require a separate agreement, and must be secured by the supplier in advance by a directly liable bank guarantee unlimited in time. This guarantee shall be subject to Italian law, and Milan shall be indicated as the exclusive place of jurisdiction.

G. Defects, Inspection

1. Unless any further or deviating requirements are specified in the order, deliveries and services must be executed according to good engineering practices and in compliance with the provisions of the relevant DIN, UNI or other comparable standards. Furthermore, these must be executed in such a way that they comply with the statutory provisions regarding machines, technical equipment, accident prevention, workplace protection, hazardous goods, emission control, water pollution control, waste regulations, etc. The regulations, standards and legal provisions currently applicable in Italy shall apply, insofar as these include further requirements to the site specified for the delivery/service, or the specified final destination of our delivery/service to the client. The indemnification from legal defects also extends to the final destination specified by us.
2. If we request subsequent fulfillment, the choice of the method of subsequent performance shall be at our discretion. This shall also apply to service contracts. Expenses required for supplementary performance and which shall be borne by the supplier also include costs for the disassembly and reassembly of the delivered item, as well as shipping and packaging costs. We shall have the legal right to self-performance, also for purchase contracts.
3. Warranty period shall be 36 months, if no law or other agreement has been made stipulating longer periods.
4. An inspection of the goods or services as well as complaints regarding potential defects must be carried out within a reasonable period of time, but shall in no case be less than three weeks. The limited time period shall start from delivery, and in case of hidden defects from the time of detection of the defect. We shall be entitled to limit the incoming goods inspection to deviations in quantity as well as apparent and easily detectable defects.
5. We shall be entitled to visit the manufacturing premises of the supplier and his/her sub-suppliers at the usual business hours (also in the company of our clients).

6. In order to protect claims due to non-fulfillment actions, we shall be entitled to claim payment of a security in the amount of 5 % of the remuneration due from the supplier. In the event that the general economic situation of the supplier is marked by ongoing deterioration, we shall be entitled (without prejudice to further rights) to claim payment of an additional security in the amount of an additional 10 % of the remuneration due from the supplier (thus a total of 15 %). Securities may be rendered by retention, or by directly liable bank guarantee unlimited in time. Section F number 4 shall apply with regard to the bank guarantee. As far as the security has not been realized, it must be returned after the expiry of the contract based limitation period for any claims arising from defects. However, insofar as the claims arising from defects asserted by us have not yet been fulfilled, or claims arising from defects for parts of the shipment or services have not yet expired, an appropriate part of the security may be withheld.

H. Manufacturer's Liability, Insurance

1. If claims are asserted against us arising from manufacturer's liability as well as due to a breach of the domestic or foreign legislation, the supplier shall have the obligation to indemnify us from all damage claims by third parties, as far as the supplier is responsible for the defect that has given rise to the liability claims. Within the scope of this provision, the supplier shall also be obligated to reimburse to us such expenses that result from or in connection with a recall campaign conducted by us, or any other appropriate remedying and preventative actions taken by us.
2. During time period of execution of the delivery and services, the supplier shall undertake to maintain a business and product liability insurance with a minimum coverage of € 1 million per personal damage/material and property damage. Our damage claims shall remain unaffected. Moreover, the supplier shall undertake, as far as applicable, to conclude an erection all risks insurance with an insured value covering the value of the delivery or service to be rendered by him/her.

I. Assignment of Receivables, Subcontractors

1. Receivables from goods and services may be assigned to any third party only with our written consent.
2. In principal, the supplier shall have to fulfill his/her obligations under this contract or other contracts with us through his/her own company with his/her own employees. The involvement of subcontractors shall only be permitted with our prior written consent. The supplier's direct personal liability with regard to and in conformance with Article 1228 of the Italian Civil Code (codice civile) for services rendered by subcontractors shall remain unaffected.

J. Provided materials

1. Provided materials and parts shall remain our property, and shall be stored separately by the supplier to be used for our orders only. The supplier shall be liable - even without fault - for any damage to or loss of such materials.
2. Any processing or changes made by the supplier shall be made on our behalf. In the event the item provided by us is inseparably commingled with other items which do not belong to us, we shall acquire joint title to the new item in the proportion of the value of our item to the other processed items at the time of the processing.
3. In the event the material or item provided by us is inseparably commingled with other items which do not belong to us, we shall acquire joint title to the new item in the proportion of the value of the material/item provided by us to the other commingled items at the point of time of commingling. Insofar as the commingling occurs in such a way that the item of the supplier is to be regarded as the main item, it shall be deemed to be agreed that the supplier assigns joint title pro rata to us; joint title is preserved for us by the supplier. The above regulations shall apply accordingly, if the supplier mixes or blends the items provided by us with other items.
4. The supplier shall insure the item in which we are entitled to sole or joint title, including the new item created by processing, against all risks such as property damage, loss, etc.

K. Confidentiality, Title, Rights of Use

1. The supplier shall undertake to treat any information disclosed to him/her, also in connection with the execution of the order, as confidential, even beyond the execution of the order, and not to exploit it for his or her own purposes. The same shall apply to the results mentioned in section B number 4, and the software developed for us in accordance with section B number 5. Publications about us or our products shall require our prior written consent.
2. All items, in particular, models, tools, samples, drawings, plans or diagrams, and all other documents of all kind which were provided to the supplier, shall remain our property. The supplier must treat such items as confidential, and return them to us at any time upon request and at no charge. The supplier may not allow any third party to look into, or make otherwise accessible to third parties the aforementioned items, nor shall he/she reproduce these, or use them for his/her own purposes.
3. The same shall apply for moulds, tools or similar equipment, or auxiliaries for the manufacture of the item of delivery, which are produced according to these documents, or are manufactured in whole or in part at our expense. Changes may only be carried out with our prior consent here. It shall be deemed agreed that the title to the items stated above passes to us (if remuneration has been agreed, upon payment), and that these items must be stored for us free of cost and in proper manner. If we have already paid the specified items before their final completion, then we shall already acquire the title to the semi-finished item in accordance with above provisions.
4. The supplier shall undertake to insure the items specified in number 2 and 3, and to which we hold the title, against all risks such as property damage, loss, etc.
5. In the cases of section B number 4, and in case of software developed for us in accordance with section B number 5, we shall have the exclusive right, unlimited by time and location, to use the results and/or software in any manner. If applicable, we shall be entitled to register for industrial property rights. If the supplier uses standard software for the execution of the deliveries and services, we shall have a non-exclusive right, unrestricted as to time and place, to use this software at least on a legally admitted scope. We shall be entitled, in particular, to a use of such software that is not limited to individual systems, and grant our clients a simple right of use.
6. Should improvements be made on the supplier's side in connection with the order placed, we shall have a gratuitous non-exclusive right of use for our own commercial use of any such improvements, as well as any potential industrial property rights involved.

L. Code of Conduct, Accident Prevention and Company Regulations

1. The supplier shall undertake to observe all relevant laws and any other laws applicable to the supplier at the place where services are rendered. The supplier shall guarantee to observe the respectively applicable laws regulating minimum wages, and shall impose this obligation on his/her commissioned subcontractors to the same extent. The supplier shall be obligated, in particular, to neither actively nor passively, directly nor indirectly be involved in any form of corruption, violation of human rights or in child labor. The supplier shall assume responsibility for the health and safety of his/her employees, and the protection of the environment.
2. For installation and assembly work on our or our client's site, the supplier shall be responsible for compliance with all accident prevention regulations and potential company regulations of our client brought to his/her attention, as well as any other regulations brought to the supplier's notice. The supplier himself/herself must obtain information needed regarding the content of regulations brought to his/her attention.

M. Foreign Trade Law, Substance Prohibition, Declaration

1. The supplier must disclose the following in his/her quotations and together with his/her confirmation in accordance with section A number 3: (1) whether delivery item is subject to export authorization, (2) control list item number according to Italian export legislation, (3) registration confirmation of the delivery item according to US law with control list item number, (4) whether delivery item is subject to export authorization according to applicable EC-Dual Use Regulation with control list item number, (5) commodity code, as well as (6) country of origin of the goods. In the event that we do not receive the required export permit, we shall expressly retain the right to withdraw from the contract; all other claims shall remain unaffected.

2. The supplier must verify the origin/provenance of the delivery item in compliance with the applicable regulations, among others, with a declaration of supplier or origin, or EUR 1. In the declaration of supplier, the supplier must state the origin of the delivery item according to applicable rules of origin valid in the country of destination.
3. The supplier must observe existing bans of substances arising from regulations in Italy, or the country of destination indicated to the supplier.
4. The supplier shall undertake to declare any substances contained in the delivery item (indication of the CAS numbers and weight proportions in the homogeneous material), if these substances are listed in one of the following provisions: (1) Chemicals Prohibition Ordinance (implementation of the 76/779/EEC Directive and corresponding amendments), (2) End-of-Life Vehicle Ordinance (implementation of the 2000/53/EC Directive), (3) Electrical and Electronic Equipment Act (implementation of the 2002/95/EC Directive and 2002/96/EC Directive), (4) Ordinance to Ban CFCs/halons (implementation of the (EC) 2037/2000 Ordinance), as well as (5) Ceramic Fiber Ordinance (in preparation).

N. Termination

Up until the time of complete service performance, we shall be authorized to terminate the contract; if we make use of this right, we shall reimburse the supplier for goods delivered or services rendered. We shall also be entitled to this right of termination for purchase contracts, as well as restricted to individual provisions of the contract.

O. Place of fulfillment, place of jurisdiction and applicable law

1. Place of fulfillment shall be the place to which the delivery item is to be delivered in accordance with the contract, or where the service is to be rendered in accordance with the contract. Unless otherwise specified, the place of fulfillment shall be our head office in Saronno.
2. The place of jurisdiction for any legal disputes relating to validity, interpretation and implementation of the present terms and conditions of purchase, and contracts concluded on basis of these terms and conditions of purchase is Milan. We shall however, remain entitled to pursue legal matters at any other legal place of jurisdiction.
3. The contractual relationship shall be subject to the law of the Italian Republic.