

1. DEFINITIONS

- 1.1 To the purposes of this Agreement, unless otherwise provided for by some specific provision, the following expressions with initials in capital letters, shall have the meaning set forth by this article¹ regardless of whether they are used in the plural or the singular.
- (a) **“Contract”**: these Contract General Conditions together the purchase Order and other conditions agreed in writing.
- (b) **“Transmission Order Form”**: the order transmission form used by SAFAS GROUP S.P.A. to transmit the Order and these General Purchase Conditions to the Supplier
- (c) **“Regulations”**: any law, rule, administrative or judicial measure which, as far as such rules and/or provisions can be known by the Supplier with reasonable efforts an accuracy, can be applied to the Products at the time and in the countries where the Products are sold by SAFAS GROUP S.P.A.. In addition, the present definition embodies any national and European Union law for employee safety, including but not limited to Italian D.Lgs. n. 81/2008 et seq., if applicable.
- (d) **“Order”**: the request of a specific quantity of Products forwarded by SAFAS GROUP S.P.A. to the Supplier.
- (e) **“Parties”**: SAFAS GROUP S.P.A. and the Supplier.
- (f) **“Products”**: the Supplier products indicated in the Purchase Order.
- (g) **“Defective Product”**: any Product that, as better described in art.6, is (i) not in compliance with (x) SAFAS GROUP S.P.A. Technical-Quality Specifications, (y) Regulations, (w) and any other provision of the purchase Order or Contract (included the provisions concerning Product documentation, transport and delivery) and/or (ii) any Product that is defective and/or devoid of the necessary qualities, reliability and/or suitability for use
- (h) **“Spare Parts”**: the spare parts relating to the Products;
- (i) **“SAFAS GROUP S.P.A.”**: SAFAS GROUP S.P.A. and/or its subsidiaries and companies in which it has holdings, even indirectly.

2. ORDERS AND ORDER CONFIRMATIONS

- 2.1 Order confirmations of the Supplier having different conditions from those provided in the Client Order shall have no value or different efficacy unless expressly reformulated in the form of a SAFAS GROUP S.P.A. Transmission Order
- 2.2 Even after the transmission of its own Order Confirmation, the Supplier agrees to accept any reasonable SAFAS GROUP S.P.A. modifications to the Order regarding quantity, delivery date and destination for up to 15 (fifteen) days before the scheduled delivery date.
- 2.3 In case of documented reasons such as fire, strike, or for any other reason depending on SAFAS GROUP S.P.A. customers, SAFAS GROUP S.P.A. may ask to suspend or delay one or more Orders currently being filled for a reasonable time without entitling the Supplier to compensation or damage of any kind.
- 2.4 SAFAS GROUP S.P.A. shall not be liable for circumstances beyond its control that may render impossible the acceptance of Products or that may lead to a lower demand of ordered products.
- 2.5 All the orders and contracts issued by SAFAS S.p.A. are referred, about the specific argument, to the procedure PSS01 “health and safety in purchasing” and whitt it to the laws and rules applicable in Italy. Supplier is obliged to read the procedure on the website : www.safas.it.

3. INSPECTIONS

- 3.1. Upon written request from SAFAS GROUP S.P.A. and within 48 hours from the receipt of said request, the Supplier shall allow any third parties or agencies appointed by SAFAS GROUP S.P.A. to inspect and verify its production process, machinery, work methods and/or the control procedures adopted by the Supplier.
- 3.2. The Supplier shall consent to such inspection and verification by competent authorities on its Product production and test methods and any related documents. The Supplier guarantees that these checks and inspections can be made either at its site or those of its subcontractors, if any.

4. DOCUMENTATION AND DELIVERY

- 4.1. When requested by SAFAS GROUP S.P.A. Products shall be identified by a label indicating the SAFAS GROUP S.P.A. code number for the cataloguing, identification and administration of each product in the Order.
- 4.2. Unless otherwise provided in the purchase Order, Products shall be delivered DDP (Incoterms 2010) at the site indicated in the SAFAS GROUP S.P.A. Purchase Order. The Ownership of the Products shall be transferred from the Supplier to SAFAS GROUP S.P.A. at the moment of execution of consent or at the latest at the moment of identification of the Products in the Supplier's warehouse. The risk of loss or damage of the Products shall be transferred from the Supplier to SAFAS GROUP S.P.A. at the moment of delivery of the Products at the site indicated in the Purchase Order. Unless otherwise requested in written form by SAFAS GROUP S.P.A., the Supplier shall place its own code number for each Product as indicated in the Order and the Purchase Order number on the package.
- 4.3. The delivered quantities, the number of the packages and the respective weight shall be the ones verified at the moment of delivery of the Products at the SAFAS GROUP S.P.A. site. Significant differences in Product quantities requested in the Purchase Order shall be previously communicated to SAFAS GROUP S.P.A. for necessary acceptance and modification of the Purchase Order. SAFAS GROUP S.P.A. shall not be liable for Products delivered by mistake or in excess, even if such Products are temporarily stored in SAFAS GROUP S.P.A. warehouses: SAFAS GROUP S.P.A. shall be entitled to return, even if not immediately, such Products to the Supplier, which will bear the related transport expenses.
- 4.4. If requested by SAFAS GROUP S.P.A., the Supplier shall use for Product delivery the containers made available for this purpose by SAFAS GROUP S.P.A.. SAFAS GROUP S.P.A. shall return empty containers at the Supplier's expense on the return journey of the transport vehicle used by the Supplier for delivery.
- 4.5. Unless otherwise instructed, the Supplier shall use packaging suited to both the specific Products supplied and the transport vehicle used: the Supplier shall be liable for any Product damage ascribable to packaging regardless of the delivery conditions established.
- 4.6. Products shall be delivered together with the transport documents. In addition to the information required by law, each invoice shall indicate the Purchase Order number of each Product and each delivery. Invoices shall be transmitted by the Supplier to SAFAS GROUP S.P.A. by fax or email at the moment of Product departure.
- 4.7. In case of difference between the Product quantities indicated in the transport documents and the Products delivered or difference between the Product quantities delivered and those indicated in the Supplier invoices, all the additional administrative costs and expenses shall be borne by the Supplier and subtracted from the credit due to this latter.

5.0 DELAY OF DELIVERY OR OMITTED DELIVERY

- 5.1 The delivery terms indicated in the Purchase Order shall be considered the basic terms; more specifically.
- 5.2 SAFAS GROUP S.P.A. is entitled to refuse and return, at the Supplier's risk and expense, deliveries made before the term indicated in the Purchase Order or, at its own discretion, to charge additional storage costs to the Supplier, while remaining understood that whenever such anticipated deliveries are accepted, the terms of payment shall start running only from the delivery date provided in the Purchase Order.
- 5.3 The Supplier shall immediately inform SAFAS GROUP S.P.A., and in any case at least 5 (five) working days in advance, of any delay of the delivery date indicated in the Order.
- 5.4 In case of repeated late deliveries not caused by an event of force majeure, while retaining its rights set forth in point (iii) below, SAFAS GROUP S.P.A. shall be entitled to:
- o demand the total or partial execution of the Contract;
 - o refuse the delivery and terminate the Contract; and also:
 - o demand the payment of a penalty indicated in the Order and of any and all further direct or indirect damages derived from omitted or delayed delivery (such as, for example, damage due to the forced interruption or slowdown of SAFAS GROUP S.P.A. production caused by the unavailability of Products or any other damage charged to SAFAS GROUP S.P.A. by its clients due to omitted or delayed delivery. SAFAS GROUP S.P.A. shall be entitled to subtract the amount of the penalty and the damages due to omitted or delayed delivery from the sums owed to the Supplier at the same date.
- 5.5 The provisions of this article shall also apply whenever the Supplier fails to make prompt amends for Defective Products.

6. COMPLIANCE, GOOD FUNCTIONING, ABSENCE OF DEFECTS, DEFECTIVE PRODUCTS AND SUPPLIER PRODUCT LIABILITY

- 6.1 The Supplier shall deliver the Products to SAFAS GROUP S.P.A. in compliance with the technical-quality specifications provided by SAFAS GROUP S.P.A. (hereinafter, the Specifications). The Specifications can be updated or modified by SAFAS GROUP S.P.A. in any moment whatsoever by written notice sent to the Supplier also by e-mail. All Products to be delivered following the receipt of such notice of update or modification by the Supplier must comply with the new Specifications.
- 6.2 The Supplier guarantees the absence of defects in material and fabrication in the Products. Save as otherwise provided in the Order the Supplier also guarantees the good functioning of the Products, their reliability and/or suitability to their respective purpose, and their compliance to the Specifications for 26 months from delivery.

- 6.3 In case of flaws, defects, insufficient quality, or malfunction in the Products or whenever they do not conform to Specifications, EU quality and safety standards and/or other legal obligations, the Supplier shall promptly eliminate all the defects and/or replace all defective and/or non-conforming Products at the Supplier's expense. Whenever such defective and/or non-conforming Products are part of a lot, SAFAS GROUP S.P.A. shall be entitled to demand the replacement of the entire lot. After the defects have been eliminated and/or the Products have been replaced, a new period of warranty coverage shall begin under the same terms and conditions as in Article 6.
Furthermore SAFAS GROUP S.P.A. shall have the faculty to:
- o decide, whenever the Supplier fails to intervene immediately, to either proceed directly to the repair or replacement of the Products and obtain the complete reimbursement of the costs incurred for the repair or replacement of the Products.
 - o terminate the Contract partially or totally
- In any case, pursue reimbursement for further damages
- 6.4 Whenever repair/replacement operations are performed by NOME or third parties on its behalf, NOME shall be entitled to the reimbursement of Product callback/transfer expenses + direct hours of labour (including assembly/disassembly) + cost of materials.
- 6.5 Furthermore, the Supplier guarantees for a period of 10 (ten) years starting from the day of delivery of the Product, all damage caused by Product defects. The Supplier shall be obliged to keep SAFAS GROUP S.P.A. released from all liability and to indemnify any direct or indirect damages it has incurred on account of such defects.
- 6.6 SAFAS GROUP S.P.A. shall inform the Supplier whenever it learns that the Product or more than one lot of Product are not in compliance with the Rules for health, environmental and safety and/or violate constructive or procedural regulations due to their effective danger, defectiveness, unreliability and/or lack of safety.
- 6.7 The Supplier shall immediately inform SAFAS GROUP S.P.A. of any news or suspicion, even if not yet ascertained, regarding any potential danger posed by defects in the Products and/or Spare Parts and/or any of the lots delivered, in order to eliminate every risk of accident and/or damage or injury.
- 6.8 Unless otherwise agreed between the Parties, to the purpose of the effectiveness of the warranty set forth in this clause, SAFAS GROUP S.P.A. shall not be obliged to perform any type of check or control operation on the Products, and the absence of such check does not release the Supplier from liability or pose any limit on the same in any way. The acceptance of the Products upon delivery does not invalidate SAFAS GROUP S.P.A. rights to warranty coverage in any way, even in the event of evident defects.
- 7. SPARE PARTS**
- 7.1 The Supplier shall supply SAFAS GROUP S.P.A. with Spare Parts in the quantities and times necessary to keep Product highest efficiency for a period of 10 (ten) years from the last supply of each Product.
- 7.2 Spare Parts prices shall be agreed on the basis of the last price paid for each Product. Unless otherwise agreed, however, the price shall not be higher than the industrial supply price for mass-produced products.
- 8. SUPPLIER INTELLECTUAL PROPERTY RIGHTS**
- 8.1 The Supplier guarantees that the Products and the respective production systems do not infringe any intellectual property rights of any third parties.
- 9. INFORMATION AND CO-OPERATION DUTIES**
- 9.1 The Supplier shall immediately inform the Client of any infringement of Client intellectual property rights of which it becomes aware during the period of Contract validity. Moreover, the Supplier shall grant to the Client all the necessary assistance for any actions the Client might decide to take in order to protect its intellectual property rights.
- 10. CONFIDENTIALITY**
- 10.1 The Supplier, on its behalf and on behalf of its employees and consultants, expressly undertakes to keep the execution and the contents of this Contract and all the acts and documents which will be performed and provided in performance of the Contract strictly confidential, with the sole exception of any disclosures required for compliance provisions of the law and measures issued by competent authorities. In such case the Supplier shall immediately inform SAFAS GROUP S.P.A. in order to agree on the terms and on the contents of any such disclosure, which shall be strictly limited to the facts and documents to which the above mentioned law provisions and measures refer to as far as possible. The Supplier shall not advertise the commercial relationship SAFAS GROUP S.P.A. without its previous written consent in any manner whatsoever.
- 11. WITHDRAWAL**
- 11.1. Barring any other withdrawal rights expressly provided for by specific clauses of this Contract, SAFAS GROUP S.P.A. shall be entitled to suspend the performance of the Contract by written communication to the Supplier, whenever:
- o facts and/or events demonstrating the Supplier's incapacity to perform normal activity and/or satisfy its ordinary duties and obligations occur (including for purposes of example without excluding others, the delay and/or lack of payment of any amount due to employees, fiscal or welfare authorities, suppliers or banks, protests of bills of exchange, preventive seizure of movable and/or immovable property, revocations of license or permits, preliminary and/or initial voluntary liquidation procedures, requests for composition with creditors or in Court or out of Court temporary receivership, or any kind of insolvency and/or bankruptcy proceedings);
 - o Supplies of Product are suspended for a period longer than 15 (fifteen) working days due to the interruption of normal Supplier activity whatsoever reason.
- 11.2 Should any of the above listed events persist for more than 30 (thirty) days from the receipt by the Supplier of written communication from SAFAS GROUP S.P.A., the latter shall be entitled to immediately withdraw from this Contract by merely providing written notice to the Supplier without entitling the latter to any form of damage, indemnity or reimbursement. In such case SAFAS GROUP S.P.A. shall be required to collect all the Orders, whether finished or not, in stock at the Supplier warehouse.
- 12. TERMINATION**
- 12.1 Without prejudice to any express provision on termination provided by the clauses of this Contract, SAFAS GROUP S.P.A. shall be entitled to terminate this Contract whenever the Supplier fails to fulfill any of its obligations under the Contract and fails to provide remedy within the terms defined by SAFAS GROUP S.P.A. in its respective written notice. More specifically, for purposes of example without excluding others, SAFAS GROUP S.P.A. shall be entitled to terminate the Agreement whenever the Supplier:
- o fails to continuously ensure the required quality standards of the Products;
 - o becomes unable to meet the SAFAS GROUP S.P.A. need for Products, with SAFAS GROUP S.P.A. expressly entitled to continue the execution of the Contract and avail of the services of third parties for the production and supply of the quantities unavailable from the Supplier.
- 12.2 SAFAS GROUP S.P.A. shall also be entitled to immediately terminate the Contract whenever the majority holding of the Supplier's share capital is purchased by a SAFAS GROUP S.P.A. competitor, whether directly or indirectly through other persons, subsidiaries, consociates or other companies in which such competitor participates
- 13. FORCE MAJEURE**
- 13.1 If the performance of this supply Contract is delayed and/or hindered by a reason of force majeure, the delivery terms shall be deemed extended and a new delivery term shall be agreed in good faith between SAFAS GROUP S.P.A. and the Supplier, taking into consideration the nature of the event of force majeure, provided that the Supplier has immediately provided SAFAS GROUP S.P.A. with written and documented notice of the event of force majeure and adopted all every measure necessary to limit its effects. To the purpose of this clause, the following shall be considered events of force majeure: natural catastrophe, war, acts of terrorism, seizure of equipment expropriation, sabotage, fire, flood, whirlwinds, hurricanes, earthquakes, general strikes (included those relating to transport and Customs, but expressly excluding specific company labor strikes unless made in compliance with a national strike decided by the competent union), suspension of electric power for more than twelve consecutive hours, compliance with laws, rules and any other government or local provision and any other event beyond the control of the Supplier. Delays by Supplier subcontractors shall not be considered events of force majeure, unless the Supplier gives evidence that said delays were also caused by events of force majeure.
- 13.2 The event of force majeure shall not be invoked by the Supplier whenever said event has occurred after the expiry of the delivery term agreed.
- 14. JURISDICTION AND GOVERNING LAW**
- 14.1 The present Contract is governed by Italian law. Any controversy arising between the Parties and relating to the interpretation and/or execution of the Contract shall be exclusively deferred to the Italian Court of Vicenza.
- 14.2 Any and all exception to the clauses above of any nature whatsoever agreed shall be valid only when in written form signed by both parties after the date of stipulation of this Agreement.

15 GENERAL AND FINAL PROVISIONS

- 15.1 These Contract General Conditions shall be effective only if the Purchase Order to which they apply does not provide otherwise. In such case, the Purchase Order provisions shall prevail. SAFAS GROUP S.P.A. is not bound by and expressly refuses the Supplier's General Conditions of Sale or by any other provision provided in any Order Confirmation or any other document of the Supplier.
- 15.2 Any modification to these provisions and/or any additional provisions shall be effective between the Parties only if agreed in written by the same. These Contract General Conditions shall also apply to further Product supplies.
- 15.3 The Purchase Order and/or its execution shall not be either fully or partially transferable by the Supplier without previous written consent by SAFAS GROUP S.P.A..
- 15.4 In the execution of every activity foreseen in its relationship with SAFAS GROUP S.P.A., the Supplier shall adopt scrupulously correct conduct in respect of the laws in force and the rules and principles of the SAFAS GROUP S.P.A. Model of Organization, Administration and Control and/or Code of Ethics, which can be consulted at www.SAFAS GROUP S.P.A..it.