

## General terms of purchase of goods and services and integrated units of goods and services

### 1 General principles

The following terms of purchase are the only one which regulate the issued orders or the purchase agreements, DELL'ORTO SpA or one of the other Italian companies belonging to Dell'Orto Group (hereafter DO) drew up. Any change and addition, as well as any sales condition of the Supplier, totally or partially different compared with the present terms of purchase, will be valid only in case of specific DO written acceptance. Otherwise, the existing terms of purchase prevail between the parties.

### 2 Purchase orders and changes

- 2.1 Orders, agreements and delivery or supply requirements, as well as changes or additions to them, should be formulated in writing
- 2.2 The validity of any verbal agreements, including amendments and additions to these terms of purchase shall be subject to mandatory written confirmation from DO
- 2.3 Communications as well, received by fax or email, will be considered written confirmations
- 2.4 The preparation of estimates of expenditure will not lead to any compensation in favor of the Supplier, unless something different has been clearly agreed between the parties
- 2.5 If the Supplier does not accept or does not confirm the order in writing within two (2) calendar weeks from its receipt, DO will have the right to cancel and revoke it, except for his full right to get full compensation for all damages suffered and to be suffered, either contractual or non-contractual, as a result of a failed timely acceptance and / or confirmation of the order from the Supplier.
- 2.6 The demands of delivery and / or supplying from DO, related to framework contracts, shall be binding for the Supplier unless rejected by the latter within 2 (two) working days from date of receipt
- 2.7 Dell'Orto's "Supplies Quality " procedure PQ 4.2, that the Supplier declares to know and to accept, is an integral part of these General Terms and orders and / or agreements drawn up from and between Parties
- 2.8 in addition to the technical requirements stated in the reference documentation, the supplier will have to:
  - 2.8.1 respect any applicable mandatory requirements (by law and/or regulations) transmitted to DELL'ORTO and/or arising from the manufacturing country of the purchased component
  - 2.8.2 manage correctly the special characteristics up to the stage of the production chain where these are generated
- 2.9 develop and improve its Quality Management System (QMS) with the aim of compliance with the Automotive reference standard IATF 16949. The steps, which QMS growth project foresees, must progressively go through the following steps:
  - 2.9.1 ISO9001 Certification of a third Party
  - 2.9.2 ISO9001 Certification of a third Party and in compliance with MAQMSR (Minimum Quality Management System Requirements for Sub-Tier Suppliers)
  - 2.9.3 ISO9001 Certification of a third Party and in compliance with IATF16949 requirements of a second Party
  - 2.9.4 IATF 16949 Certification of a third Party
- 2.10 DO shall revoke and/or cancel an order at any time, if, at our unquestionable judgement, we consider that there are no longer guarantees and competences of the Supplier to carry out the supply regularly, or even, if we believe that the Supplier is in a state of insolvency and/or is having economic problems such as to question the regular execution of the supply and the qualification of the Supplier to provide the relevant guarantees, independently from the provision stated in the previous clause 2.5, and again when executive procedures have been promoted towards the Supplier, or the Supplier itself has been admitted to any insolvency proceeding

### 3 Delivery of goods - Supply of services

- 3.1 Deliveries or supplies which differ from the specifications stated in DO contracts and orders may be rejected by the latter and will require, to be accepted, the prior agreement and written consent of DO.
- 3.2 The dates, places and terms of delivery in the order or agreement shall be binding for the Supplier. In order to check the timely fulfillment by the Supplier, just the delivery date of the goods and / or provision of the service at the place arranged in the order or agreement will be taken into consideration. In the cases foreseen in INCOTERMS 2010, the Supplier shall promptly make available the goods, taking into account the time for loading and the transport agreed with the shipping agent
- 3.3 The parties agree that the delivery terms stated in the contract / order, in accordance with INCOTERMS 2010 are from now on valid. In the cases foreseen in INCOTERMS 2010, the Supplier will be directly liable for all the acts, facts and behaviors of the chosen carrier and of its auxiliaries towards DO, as well as, the Supplier will be the only subject liable for the payment of the carrier services, without that the latter can claim anything from DO.
- 3.4 In case the Supplier delays the delivery as to the agreed terms, and in case he delivers the goods in places and / or entities other than those indicated by DO, the latter may refuse to accept the delivery, and may ask for the full compensation for damages. Making an exception to what provided in the second paragraph of Article 1510 civil code, the Supplier is not released from the obligation of the delivery just consigning the goods to the carrier or freight forwarder. The Supplier shall give immediate notice to DO purchasing department, whenever he expects difficulties, which may hamper its ability to deliver or supply goods or services on time and according the required quality. However, this does not relieve the Supplier from its responsibilities resulting from the delay in the performance.
- 3.5 The unconditional acceptance of late goods delivery or late services supplies will not imply and can not in any way be understood and handled as a waiver of damage claim from DO, and this till when such a refund will be paid totally and according the terms Dell'Orto requires,
- 3.6 partial deliveries and supplies are usually not acceptable unless otherwise expressly agreed between the parties.
- 3.7 In case of any claim, only the quantities, the weights and the dimensions Dell'Orto surveyed during the acceptance of the goods, shall be considered.
- 3.8 In any case, the Supplier, together with the execution of the supply, will have to deliver to DO all the necessary documentation, suitable for the routine use of what delivered (for example: the instruction and operation manuals, installation and assembly instructions, certificate of guarantee).

### 4 Services

- 4.1 The Supplier self shall provide for the services. He may give in subcontract to a third party the services supply subject to Dell'Orto written agreement, and in any case, Dell'Orto will never be liable for any claim (even economic) of the subcontractor and will always respond on his own towards DO for all the activities of the subcontractor, as if they had been carried out by the same supplier. In the event he asks for services to a third party, the Supplier shall incorporate, in his relevant agreements about that, the terms and conditions listed in this document.
- 4.2 The Performance standards DO asks for, the configurations and the detailed purposes, will not absolve the Supplier from the commitment to provide solutions which are technically without defects and cost saving. The Supplier shall promptly inform DO if the performance standards, the configurations or above purposes are clashing with the solutions the Supplier proposed, or if changes or improvements in the subject or in the purpose of the performance are necessary or appropriate. Additional services or changes carried out without prior written DO authorization, can not be quoted by the Supplier as basis for claims
- 4.3 DO must be informed immediately in the event that industrial patent rights or intellectual patent rights of third parties are necessary for the order execution, even if there is just a risk of such occurrence
- 4.4 The services shall be performed in accordance with the subject of the agreement and the purpose of the service; what above shall also apply to the documentation concerning the specifications. The supplier will have to look through the general state of science and art, the enforceable regulations, the requirements of consumers Associations, the safety procedures and the relevant measures, including DO safety standard. In carrying out engineering orders, the activity must be performed to allow the easy execution of maintenance works and / or inspection works.
- 4.5 In carrying out the order, the Supplier undertakes to honor DO interests, by adopting and introducing all the measures according to its discretion (for example, the choice of materials, accessories or spare parts) just on the basis of an impartial examination.

- 4.6 Unless otherwise stated in the contract, drawings, descriptions, calculations and all has been done by the Supplier or third parties to whom such assets have been given in subcontract, will be transferred as property to DO at the time of their creation without arising any payment obligation, that's why the Parties agree from now on that the Supplier and the third parties, not only will not have any rights on such works, which will then become DO full property, but besides Dell'Orto will not have to pay any amount to the Supplier, given that the compensation for their creation will have been already considered in the one determined for the Supplier and third parties for their implementation. All above stated documents must be sent in original to DO once prepared and completed. DO will carefully preserve and keep in a safe place such documents. The documents, and the models, drawings, sketches prepared and / or obtained in order to carry out the order, will remain property of DO, and they must be returned once the order has been completed. DO reserves all rights on the available documents, even if a patent is granted or a utility model is registered. The Supplier shall not have any right of retention.
- 4.7 If the Supplier is informed of the purpose of the services, he will ensure the compliance of such services to the declared purpose. Any inspections or approvals of service parts will not affect on the duty of the Supplier to perform the services and provide a guarantee for the same. The acceptance will follow the approval of the full-services, not the possible use or payment of the same.
- 4.8 DO can use and exploit, at its discretion, with the guarantee of freedom of the Supplier from any right or claim of a third party, all the results obtained in the performance of services, including inventions and rights of use and exploitation according to the Law on the Right of Author from the moment of their conception and their implementation, without any compensation to the Supplier, as already provided for in paragraph 4.6.
- 4.9 Any inventions the Supplier did during his assignment, whether or not patentable, will be exclusive owned by DO, without any compensation to the Supplier. The Supplier will adopt appropriate measures for an immediate transfer of the inventions to DO, unless otherwise specified in the agreement.

## 5 Force Majeure

- 5.1 in case of force majeure, labor disputes, suspensions of the activities beyond DO control, revolts, government measures and other events which can not be prevented, DO is free from the obligation to accept the goods and / or services, according to the planned schedules for the entire duration of these events. During these events, and for the 2 weeks after, DO is entitled – unprejudiced any other DO right - to partially or totally withdraw from the supply agreement if such events last for a long time and DO needs are largely reduced, since, due to such events, the goods have to be produced elsewhere.

## 6 Shipping note and invoice

- 6.1 Only the details stated in the order, agreement contract, delivery and / or supply calls, DO issued, will be valid. The invoice shall be sent to the address stated in the purchase order / agreement and shall not go with the goods.

## 7 Price and risk transfer

- 7.1 The amount paid for the goods and / or services to be supplied, shall be agreed in each order or contract separately. The agreed prices can not be changed, unless otherwise in writing agreed and fixed case by case. If in a contract, the fee has not been foreseen at a fixed price, but according to the expenses bore and demonstrated, the Supplier guarantees to keep its request in the range of the offer or of the approved total estimate. Dell'Orto will acknowledge additional costs only if approved in advance in writing.
- 7.2 The fee agreed with the Supplier shall be always and in any case all-inclusive. The compensation will become due and will be paid at the time of acceptance of the goods and / or services, in accordance with the agreed payment terms.
- 7.3 Unless otherwise agreed, the prices are meant "Delivery Duty Paid" (DDP - INCOTERMS 2010) and include the packaging required to ensure the integrity of the product. The Value added tax (VAT) is not included, unless otherwise specified in writing. The Supplier assumes all risks of loss and / or damage relating to the goods up to the place agreed for the delivery and received by DO or a DO representative

## 8 Terms of payment

8.1 The terms of payment stated in the order / purchase contract are valid. The payment will be done after invoice checking .

## 9. Complaints and warranty by the Supplier

9.1 The acceptance of goods and / or services is subject to inspection and / or control from DO in order to check possible defects, the completeness and full conformity of the supply.

9.2 The Goods and services given by the Supplier and / or by third parties are warranted for defects and malfunctions, and are therefore covered by the warranty for defects foreseen from Article 1490 Civil Code, and so by all warranties, with no exception, provided by Italian law and by Community law in relation to the specific characteristics of the supply and the provided service. On this matter, the parties acknowledge that, according to the first paragraph of art. 1495 Civil Code and making an exception to the code provisions, the deadline for DO to report defects to the seller is of 60 (sixty) days after detection, unless otherwise provided by Italian law, and in any case the Supplier renounces irrevocably to object any possible delay of DO in revealing the defects.

9.3 Should the Supplier not immediately proceed to remedy the defects and / or failures following to a DO request, in an urgent case, and in particular, to avoid imminent risks or to prevent further damages, DO is authorized to do directly or through third parties, any necessary correction of the defect and / or failures at Supplier expenses.

9.4 When providing goods or services not completely owned, the Supplier will assume the whole responsibility from claims of third parties, as well as full warranty against eviction and claims without any responsibility for DO.

9.5 The Supplier irrevocably undertakes to be responsible and indemnify DO against any eventual request and claims of third parties in relation to the supplies.

9.6 The Parties agree that, making an exception to the third paragraph of Art. 1495 Civil Code, the lapsing time for the refunds for defects and / or failures is of 3 (three) years.

9.7 If the Supplier fulfils the obligation of additional service by providing a substitute product, the lapsing times concerning the goods delivered as replacement, will be calculated once again starting from that delivery.

9.8 The costs relating to the supplies of defected goods or services will be paid by the Supplier, in particular with regard to the costs of transportation, machining, labor, materials, or costs for inspections and audits.

9.9 The parties agree that if DO contests the delivery for any cause and reason, DO may stop the relevant pursuant to art. 1460 of the Civil Code until the conformity of the supply, or in other words the legitimacy of the claim, is checked in trial with sentence become final, reasons for which the Supplier can not act to recover the relevant credit and there will not be any kind of interests on the amounts not paid by DO (neither legal nor the ones foreseen by the Legislative Decree 231/2002). The Supplier declares and guarantees that, because of the field where DO works, the suspension of payment by DO is immediately assisted by the necessary requirement of proportionality in relation to the damages which are possibly assumed to be existing as a result of defaults by the Supplier, removed and rejected in the future any exception, claim and / or dispute.

9.10 DO can compensate the amounts requested to the Supplier requires as compensation for the damage with the amounts due for the supplies, and this even if the credit of DO is not certain, liquid and payable

9.11 Any payment of the supply will not affect in any way the right of DO to contest it and to repeat the payment, nor the right to claim from the Supplier the payments of all damages without any exception.

## 10 Liability

10.1 If DO receives claims for goods delivered or services provided by the Supplier, the Supplier will be responsible for such claims and DO will not have any responsibility.

10.2 In cases as per paragraph 10.1, the Supplier will be required to bear all costs and expenses, including the costs of any legal action, paying back DO for all expenses he bears.

10.3 Prior to any action of product recalls due partially or totally to a defect of the product given by the Supplier, DO will inform the Supplier, while offering him the chance to cooperate and discuss with the supplier the most efficient recall procedures, unless special urgencies occur and don't allow it. The costs for the recall will be charged to the Supplier when such a recall is due to a defect of the product and / or service provided by the Supplier.

## 11 Materials supplying

11.1 Materials, components, containers and special packaging given by DO, will be always owned by DO. They can only be used in accordance with their intended use. The Supplier undertakes to preserve such products in DO interest .

## 12 Confidentiality and privacy

- 12.1 The Supplier will keep confidential, with respect to third parties, all commercial and technical information DO gave (including data that can be gleaned from objects, documents, or software, or any other information or experience), and the results of the works achieved according to this contract, except for what already acquainted in public. The information will be available just at the premises of the Supplier for those persons who will have to supply DO. These people undertake to keep all information confidential, as the Supplier must get them sign an explicit commitment to privacy/confidentiality in accordance with this clause. DO owns the information, which cannot be duplicated or commercially used - except for the deliverables to DO - without previous DO written permission. Upon DO request, all information DO disclosed (including copies or recordings, if any), as well as goods and tools DO gave to the Supplier to be used, shall be immediately returned or destroyed; the Supplier shall give written proof of such return and / or destruction. All rights on such information are granted for DO (included rights of industrial and intellectual patent). Such a reserve shall also apply to information provided by third parties.
- 12.2 Goods manufactured according to documents such as drawings, models, that DO prepared, and / or based on DO confidential information, as well as goods made with DO tools or with tools modeled based on the same, will never be used by the Supplier except for the Supply Agreement with DO, nor offered nor sold to third parties.
- 12.3 The services the Supplier rendered to DO, or parts or elements thereof, can not be given in the same way to third parties (competitors or not of DO) for 5 (five) years from their last fulfilment in favor of DO, unless the technology on which they base, is part of the general state of art and of knowledge.
- 12.4 As far as the technical and commercial information, received from DO to run the service, are concerned, the confidential commitment will continue even after the execution and / or end of the contract up to when such information becomes public property due to reasons which are not referable to the Supplier, or when DO gives up in writing the confidential commitment.

## 13 Export and Customs control

- 13.1 The Supplier will have to inform DO of any requirement for import and / or export licence of the Products in accordance with Italian, European or American law on export control and customs regulations, and at the same time he must inform DO on regulations for exports control and customs regulations in force in the country of origin of the Products. Therefore, in the offers, order confirmations and in the invoices, the Supplier will give the following information concerning the Products:
- export list number on any applicable export list;
  - ECCN (Export Control Classification Number) for goods from USA (including software technology) in accordance with the U.S. Export Administration Regulations (EAR); the country of origin (country of origin) of the products and of its components, including software technology;
  - eventual transport of goods within United States, any manufacturing or storage of the products in U.S.A and possible manufacturing of the same with American technology;
  - Customs Tariffs of the products;
  - Reference person in the company, which is available on demand, to provide additional information.
- On DO demand, the Supplier shall provide in writing any further details on foreign trade concerning the Products and components and shall inform DO of any changes on these data promptly, and anyway before the delivery to DO.

## 14 Social responsibility and environmental protection

- 14.1 The Supplier shall comply with the law regulations regarding the treatment of employees, environmental protection, the health and safety at workplace, undertaking to cancel or at least minimize the eventual adverse effects of human activities on human being and on the environment. On this matter, the Supplier shall establish and continuously develop a quality system based on ISO 14001, in proportion to its possibility. In addition, the Supplier will comply with the principles of the ONU initiative, in particular those relating to the protection of human rights internationally, to the right to collective bargaining, to the abolition of forced labor and children labor, to the cancellation of discriminatory criteria in employee recruitment, to environmental responsibility and to the prevention of corruption. For more information on global ONU initiative, please refer to: [www.unglobalcompact.org](http://www.unglobalcompact.org)

**15 Place of delivery**

15.1 The place of delivery is the place where the goods are to be delivered according to the agreement or where the service has to be provided in accordance with what stated in the order / agreement.

**16 Miscellaneous**

16.1 Any invalidity of a clause of these conditions or of subsequent supplementary agreements will not invalidate the other conditions. The parties will agree on a substitute clause which reflects as much as possible the economic intent.

**17 Place of Jurisdiction**

17.1 the Court of Monza will have exclusive jurisdiction for any dispute arising from these terms or in connection with them, excluding any other place of jurisdiction.

**18 Enforceable Law**

18.1 These terms of purchase shall be governed exclusively by the laws of the Italian Republic. The application of the Hague Convention on the Uniform Law on International Sale of Goods, the United Nations Convention on Contracts for International Sale of Goods or other conventions relating to the law enforceable to the sale of goods and / or services are not admitted

**19 Consent**

19.1 The parties mutually agree that each provision of this agreement has been largely discussed and approved, as well as each single item and article

Cabiate, .....

For acceptance and confirmation of the above clauses

The Supplier

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The Supplier acknowledges to have read, understood and accepted, in particular, the content of the following above stated clauses: 1 – 2.1 – 2.2 – 2.5 – 2.6 – 2.8 – 3.1 – 3.4 – 3.7 – 4.1 – 4.2 – 4.6 – 4.8 – 4.9 – 5.1 – 9.2 – 9.3 – 9.5 – 9.6 – 9.7 – 9.8 – 9.9 – 9.10 – 9.11 – 10.1 – 10.2 – 10.3 – 12.2 – 12.3 – 12.4 – 17.1 – 18.1.

Cabiate, .....

The Supplier

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