



1. Relevant Conditions

The legal relationship between SUPPLIER and PURCHASER is based solely on the following General Terms and Conditions of Purchase (Terms and Conditions). Changes and amendments to these Terms and Conditions shall be valid only if made in writing.

Contradicting conditions or provisions of the SUPPLIER which derive from these Terms and Conditions shall not be recognised unless the PURCHASER expressly accepts their validity in writing. Indications of or references by the SUPPLIER as to the applicability of its general terms and conditions are hereby expressly rejected.

In addition, PURCHASER's Quality Assurance Agreement, General Logistics Guideline, Tools Management Specification (if applicable) and other contracts, manuals, guidelines and requirements which are provided in writing by PURCHASER to SUPPLIER prior to SUPPLIER's acceptance of the order are incorporated by reference.

2. Orders

The order describes the goods ("Goods") being purchased ("Order"). Orders can be made by Closed Purchase Orders or by Delivery Schedules based on a Frame Contract. Both, as well as any modifications or amendments thereto, shall only be valid in writing and with PURCHASER's written approval.

If SUPPLIER does not accept or misses to confirm a Purchase Order and/ or a Frame Contract within 5 (five) business days of receipt thereof, PURCHASER may revoke this Order without any costs or liability. By a Frame Contract the SUPPLIER is not requested to confirm expressly each Delivery Schedule.

Orders transmitted to the SUPPLIER cannot be passed to a Third Party without prior written approval of the PURCHASER.

To the extent it is reasonably acceptable to the SUPPLIER, PURCHASER may demand that changes be made to the goods to be supplied relating to both design and implementation. In this case the consequences, especially within respect to additional costs or cost reduction, and with respect to delivery dates, shall be resolved in an appropriate and mutually agreeable manner by PURCHASER and SUPPLIER.

3. Delivery Dates

The agreed delivery dates in Purchase Order or Frame Contract and Delivery Schedules are binding. The receipt of the Goods at the place of receipt or use as specified by the PURCHASER shall be decisive for adherence to the delivery date. The SUPPLIER shall make the goods available in time taking into consideration the time usually necessary for loading and shipment.

To assure delivery dates, SUPPLIER is obliged to have a sufficient safety stock of Goods and raw material. The stock amount will be defined project-specifically in the Nomination Letter. Such safety stock does not obligate PURCHASER to purchase amounts greater or different than those defined in the Order.

The SUPPLIER is obliged to immediately inform the PURCHASER in writing if circumstances occur or are recognisable which will cause the delivery to be late, providing reasons and the duration of the delay. This notification does not have effect on the agreed delivery date.

Partial deliveries shall only be accepted upon express agreement. They are to be identified as such and a record is to be kept of the remaining volumes to be delivered. Even if the PURCHASER has agreed to a partial delivery, the agreed dates for the entire delivery remain applicable, so that the delivery shall not be regarded as having been made until the contract has been fulfilled completely.

4. Conditions of shipment

Unless otherwise expressly provided in writing, the INCOTERMS 2020 are applicable to all commercial terms. Unless otherwise agreed, the goods shall be delivered DDP to the relevant PURCHASER plant. All transportation risks are at SUPPLIER's charge.

5. Delayed Delivery

Should the SUPPLIER, for whatever reason, not comply with the delivery terms, it shall immediately give notice to PURCHASER.

Should the delivery term not be compliant, even though with reference to a partial delivery, PURCHASER will be entitled, at his own discretion, whether to request compensation for damages in place of the service and obtain an alternative delivery from a third party or to withdraw from the contract. Further claims remain unaffected.

SUPPLIER is obliged to indemnify PURCHASER for damages caused by late delivery, including loss of profit and damages resulting from interruption of PURCHASER's business.

If the delay lasts more than 3 (three) business days, the PURCHASER is entitled to charge a penalty in the amount of 1% of the delivery value for each following day of delay up to the maximum penalty of 20% of the total delivery value.

Lack of materials to execute the delivery shall not justify delayed deliveries.

6. Force Majeure

In cases of force majeure, strikes, civil commotion, government directives and other unforeseeable, inevitable and severe events, the contracting parties shall be temporarily relieved fully or partially from their obligations during the period such events continue to persist and to the extent their obligations are affected. The foregoing shall also apply if the contracting party affected is already in default at the time such event occurs. The contracting parties shall give each other, without delay, the necessary information which may reasonably be expected and shall adjust their obligations in good faith to the changed circumstances.



SUPPLIER is obliged to store production material during the event of force majeure on its own risk and on its own charge.

Delayed deliveries because of a cause of force majeure shall be documented in appropriate way from SUPPLIER to PURCHASER. If the hindrance lasts for more than 3 (three) months, both contractual parties are entitled to withdraw from the contract without further notice.

7. Prices, submission of invoice and payment

Purchase price of each Good is indicated either in the Purchase Order or in the Frame Contract. Unless otherwise agreed, the purchase price includes all costs for freight, packaging and insurance as well as costs for tools amortisation (if any).

The price shall not be subject to any changes during the specified validity period, starting from the acceptance date of Purchase Order or Frame Contract. Price alignments due to raw material price increases of up to 10% shall never be required. For price alignments due to price increases in raw materials above 10% the following subparagraph shall apply.

Any request of price changes shall be transmitted to PURCHASER in a plausible and well documented way using .xlsx Clerprem form (QAF in the last approved version). PURCHASER may accept them or not at its sole discretion. Requests shall not be applicable to an already transmitted Purchase Order or Frame Contract during its validity period.

Payment shall be made in accordance with the terms set forth in the Orders and only after PURCHASER received complete billing documents and customs documents (if any). Unless otherwise agreed, payment shall be made by wire transfer.

All invoices must specify (SUPPLIER number/ part and order number/ quantity/ delivery note number/ material reference/ legal and tax requirements/ any information required by PURCHASER).

Invoice shall be attached to each delivery, if customs clearance is necessary. Unless otherwise agreed, invoice will be paid 60 (sixty) days from which both the invoice and the goods have been received by PURCHASER or services have been provided.

In the event of delivery of defective Goods, PURCHASER shall be entitled to withhold the portion of the purchase price proportional to the percentage of defective Goods until the defective goods have been replaced.

In no case shall SUPPLIER be entitled to suspend deliveries and/or withhold or seize the Goods due to PURCHASER'S default of payment.

8. Quality and Documentations

For its deliveries SUPPLIER shall comply with the technical and quality performances requested by the PURCHASER to the SUPPLIER and/or indicated in the 2D/3D CAD drawings, technical specifications, instructions and agreements transmitted by the PURCHASER to the SUPPLIER and shall further comply with all applicable laws, certifications, Norms, labels, markings, and signals. Further SUPPLIER must ensure that its Goods are made of good material and

workmanship and are built and produced in a proper manner suitable for the normal use of PURCHASER and its final client. Their non-conformity will be a lack of basic quality requirements according to § 1497 of the Italian Civil Code (*Codice Civile*).

Any changes to drawings, technical specifications, instructions regarding single Goods require PURCHASER'S prior written consent.

9. Notice of defects

Incoming deliveries shall be inspected by the PURCHASER after receipt for externally recognizable transport damage and deviations with regards to identity and volumes which can be easily recognised from the outside.

PURCHASER shall inform SUPPLIER in writing about any deficiencies of the delivered goods, as soon as such deficiencies have been discovered within 10 (ten) business days. If PURCHASER complies with the aforesaid condition, SUPPLIER hereby waives its right to claim that said notice of deficiency was not timely.

PURCHASER has no further obligations towards the SUPPLIER with other than those inspections and notifications mentioned above.

10. Warranty

SUPPLIER shall guarantee that the Goods are free from defects, faults, including latent ones and are merchantable and suitable for the intended purpose.

If defective Goods are delivered, PURCHASER is entitled, in accordance with the relevant legal requirements and the following clauses as set forth in this article and unless the parties have agreed otherwise, to claim the following:

(a) Before start of production (processing or fitting) PURCHASER shall first give to SUPPLIER the opportunity to sort out as well as repair or replace such defective goods unless this cannot be reasonably expected from the PURCHASER. If SUPPLIER is unable to accomplish the foregoing or, in any event, if the SUPPLIER fails to comply immediately with such obligation, PURCHASER is entitled to terminate the contract with respect to the defective Goods delivered with no further notice and to return the Goods to the SUPPLIER at the latter's risk and cost. In urgent cases PURCHASER may, after consultation with the SUPPLIER, accomplish the repair itself or have it done by a third party. Any costs resulting there from shall be borne by SUPPLIER. If the same Goods are repeatedly supplied in a defective state, despite written notice sent by PURCHASER to SUPPLIER, PURCHASER shall be entitled to terminate the contract also with respect to the Goods still to be delivered.

(b) If the defect is discovered only after start of production, then PURCHASER is entitled to:

- claim remedies, i.e. removal of the deficiency or delivery of non-defective Goods and
- claim indemnification for transportation cost as well as for dismantling cost and installation (labour cost, cost of material, etc.), all related to such additional remedies, or
- a reduction of the sales price.

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In case of damage due to delay, incorrect delivery or damage on subject different from the subject of delivery (consequential damage), the SUPPLIER is obliged to reimburse to PURCHASER all damage (direct and indirect) and other losses. The claims of PURCHASER resulting from product liability remain unaffected.

The costs and risk for returning and delivering again the Goods repaired or replaced will be borne by the SUPPLIER. PURCHASER's right to rescind a Order remains valid. The right for compensation of damages resulting from faults and/or non-compliance with quality requirements of the Goods remains applicable.

At SUPPLIER's written request, the defective parts to be replaced shall be made available to SUPPLIER at its own costs and risk and without undue delay.

A warranty claim does not arise, if the defect is attributable to failure to comply with operation-, service- or installation instructions, misuse or inappropriate use, improper or careless treatment and normal wear and tear.

For each Non-Conformity Report issued by the PURCHASER the cost defined in Quality Assurance Agreement will be charged.

PURCHASER is entitled to automatically deduct all claims resulting directly or indirectly from defects or delays caused by SUPPLIER, from outstanding claims of SUPPLIER.

If delivery of faulty Goods incurs repeatedly, PURCHASER is entitled to terminate this Agreement, the Order, or any other agreement that may be entered with SUPPLIER, without prior notice.

Unless otherwise requested by PURCHASER in writing, warranty will last 30 (thirty) months starting from the delivery of the Goods to PURCHASER.

SUPPLIER guarantees herewith that it is ready to deliver replacement products and spare parts for the following period, starting from the date of last products delivery:

- 15 (fifteen) years for supplies of the automotive industry
- 30 (thirty) years for supplies of the railway industry

11. Liability

To the extent these conditions do not provide otherwise, SUPPLIER is liable for any damages directly or indirectly caused to PURCHASER because of supply of defective Goods, missing correspondence to the applicable laws or specifications, violation of official safety regulations or any other reason attributable to SUPPLIER.

SUPPLIER commits itself to hold PURCHASER free from any responsibility for and against any claim and liability due to death or injury to persons or damages to property or any other direct or indirect loss, independently of whoever suffered them, resulting from a SUPPLIER's breach of any contractual provisions or due to defective Goods, unless the death, injury or property damage are due to an alteration of a modification of

material or to a non-correctly performed or unauthorized service and due to repairs carried out on the Goods by PURCHASER or PURCHASER's customers. Should it prove necessary, (with the aim of avoiding any damage or risk for persons or property) to

withdraw or to call in a Good or the Goods, SUPPLIER shall refund PURCHASER, keeping it free from any liability and any costs.

If a recall or corrective action is requested by law or in case of a reasonable PURCHASER's decision, all direct and indirect costs shall be borne by SUPPLIER.

The SUPPLIER is in full extend responsible for Field Claims if they are SUPPLIER's responsibility.

The SUPPLIER is required to sufficiently insure the product-risk - beyond the scope of normal business liability insurance. Evidence of corresponding insurance policies is to be provided upon request.

12. Intellectual Property Rights

All documents, drawings, technical information, software, either on paper or soft copy (Intellectual Property), delivered by the PURCHASER or by other parties by it entitled, to the SUPPLIER for the execution of the order remain of its exclusive property and the PURCHASER will be entitled, at its own choice, to request that said documents be returned to it.

The SUPPLIER will have no right to copy, deliver, transmit, divulgate or distribute in any form these documents to a third party, thus committing itself to take all measures in order to keep them confidential.

The SUPPLIER will use the information provided by this article only to execute the deliveries of the Goods to the PURCHASER according to this Terms and Conditions, excluding any other use, either of by its own or by a third party.

SUPPLIER commits itself and guarantees that the production, the assembly, the use and the sale of the Goods do not infringe or violate either the intellectual property or other similar rights of third Parties. SUPPLIER shall hold PURCHASER or PURCHASER's customers harmless from any claim arising out of or in connection with SUPPLIER's violation of this clause.

13. Confidential Information

The contracting parties agree to treat as business secrets all commercial and technical details that come to their knowledge during the course of a regular business practice, unless such details are publicly known.

Drawings, patterns, models, samples and similar objects shall not be made available or otherwise be made accessible to unauthorized third parties. Reproduction of such objects is permitted only to satisfy business requirements and in compliance with the laws on copyright.

Sub-suppliers and associated companies shall be obliged under these obligations.

The duty of confidentiality shall continue to apply after the end of the delivery relationship. If no concrete completion date has been agreed, it shall expire if and insofar as the production knowledge contained in transferred images, drawings, calculations and other documents becomes generally known.

The contractual partners are only permitted to use the business relationship for advertisement purposes after prior written approval of PURCHASER.

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Furthermore, in the execution of this Agreement, personal and contact data of administrators, employees and collaborators who, depending on the tasks conferred, manage the contract and/or perform it, may be communicated, or otherwise made available to the respective contact persons, between the Parties.

Therefore, both parties will process such personal data to the strictly necessary extent for the execution of all aspects of the contract. The data will be stored until the completion of the mutual contractual services and subsequently in respect of the time limits prescribed by the law.

The individual employee or collaborator may exercise, if applicable, the rights listed in articles 15 to 21 of EU Regulation 2016/679, without prejudice, however, to the limits arising from the legitimate interest of the employer.

14. Production Tools

Unless otherwise agreed in writing, PURCHASER remains the owner of supplies such as models, matrices, molding tools, patterns, tools or other goods ("Production Tools"). The Parties agree that Production Tools, which the SUPPLIER purchases or manufactures to fulfil the delivery contract at the PURCHASER's costs, pass into the ownership of the PURCHASER.

The Production Tools shall be marked clearly "owned by Clerprem S.p.A.". SUPPLIER shall use the Production Tools exclusively for the fulfilment of delivery contracts and shall handle them with the due care of a prudent business man, in particular the SUPPLIER shall insure Production Tools at its own cost against, inter alia, damages by fire, water and theft. The insurance must also guarantee full coverage against indirect damages that may be caused by the main event that occurred. SUPPLIER is required to submit, upon PURCHASER's request for which it needs no reasoning, at any time, a copy of the executed insurance policy.

SUPPLIER shall carry out maintenance and inspection on Production Tools in due time at its own cost.

At any time, upon PURCHASER's request for which it needs no reasoning, and according to INCOTERM as agreed between the Parties for the supply of the Products, Production Tools shall be returned to the PURCHASER without undue delay, in perfect working condition. In case of delays, PURCHASER reserves the right to apply the same penalties referred to in par. 5 of these General

Conditions, up to a maximum of 20% of the total value of the nominated equipment and Production Tools.

The return of the Production Tools shall not be subject to the payment by SUPPLIER of invoices due for the supply of Products, but only to the payment, according to agreements made at the time of the assignment of the Project, of the Production Tools themselves.

15. General Provisions

Unless expressly agreed otherwise, the contractual language is Italian. If the contractual partners use additional other languages, the Italian wording shall be given precedence.

If a provision of these Terms and Conditions becomes invalid or unenforceable, that shall not affect the validity of the remainder of these Terms and Conditions.

The law of the Republic of Italy shall be applicable exclusively. Place of Jurisdiction is the court of Vicenza, Italy.

The applicability of the UN Convention on International Sale of Goods (CISG) is hereby expressly excluded. For purposes of Articles 1341/1342 of the Italian Civil Code (*Codice Civile*), the SUPPLIER hereby declares that it expressly approves the following clauses:

2. Orders
7. Prices, submission of invoice and payment
8. Quality and documentations
9. Notice of defects
10. Warranty
11. Liability
12. Intellectual Property Rights
13. Confidential Information
14. Production Tools
15. General Provisions

Place, date

SUPPLIER
(company name and signature)

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