

## GENERAL SUPPLY CONDITIONS

**1) ACCEPTANCE AND DEROGATIONS:** General Terms and conditions herein contained are integral part of the order together with particular dispositions indicated in the Purchase Order (hereafter PO) and technical documentation (Statement of Work, specifications, etc.) contained in the attachments, if any. General Terms govern the Supply if Particular Conditions are not indicated. In case of disagreement between General Terms and Particular Conditions, the second ones will govern. Any changes to these General Terms and/or Particular Conditions and eventual attachments are valid only if they will be expressly agreed in writing between SITEP ITALIA Spa (hereafter only Sitep Italia) and the Supplier and if they will be formalized, through amendment of the PO by SITEP ITALIA. By signing the PO, the Supplier accept these General Terms, Particular Conditions and Attachments, if any, and totally renounce to his own Conditions of Sale even if attached to its quotation. Possible particular derogation conditions are only valid and effective if they are directly undersigned by SITEP ITALIA on the same purchase order. The order is completely accepted after confirmation or with the beginning of the Supply. **2) ORDER CONFIRMATIONS:** The non acceptance of the General Terms of Supply is sufficient at the incontestable discretion of Sitep Italia to cancel the order without advance notice. **3) INVOICES:**Invoices should refer only to materials of one order and contain the relevant remittances for a period not longer than 1 (one) month. They should also contain: number and date of PO; number and date of remittances in progressive order; list of materials according to remittances progression; description, SITEP ITALIA code, eventual Supplier code of material supplied. Note: in case of non compliance, the invoice payment date may be delayed of 30 days, without any notice. **4) DELIVERY:** Materials should be accompanied by delivery note indicating: number and date of PO; delivery cause: “Balance” - “Advance”; possible particular information relevant to the batch (ex: sampling) **5) NON SPECIFIC MATERIALS:** For supply of materials in conformance with Supplier’s or Third Party’s drawing or sample, the Supplier assure that material is not subject to any bond limiting its availability and use, and declare himself as the only and direct responsible, at his own risk and expense, toward SITEP ITALIA and its Customers for eventual proceeding by Third Parties due to infractions of exclusive right or similar. **6) SPECIFIC MATERIALS AND CONFIDENTIALITY OBLIGATIONS:** For supply of materials in conformance with SITEP ITALIA drawings, instructions or samples, the Supplier commits himself to respect the secrecy, and recognizes as illegal the divulgation of information, drawings, samples or of supply to Third Parties, without forwarding written approval by SITEP ITALIA. Drawings and what needed to execute the material should be preserved at SITEP ITALIA disposal. Any non-fulfillment will be criminally and civilly persecuted. The Supplier, his employees and all the staff that follow the Supply commit themselves to consider reserve and to not spread or communicate to Third Parties all the information, data, technical or commercial news they could get aware of regarding the Supply. All these information will be therefore used only for the Supply implementation. Materials and results deriving from the Supply implementation may not be reproduced, copied or commercialized by the Supplier or by Third Parties. Material or documentation of any type (plans, projects, programs, specifications or similar) issued by Sitep Italia have to be returned by the Supplier at the end of the PO. The confidentiality obligation will last for all the duration of PO and for the next 5 years after the end, for any reason, of the PO. The communication of reserved information from Sitep Italia to the Supplier can’t be considered as recognition and/or obligation, explicit or implicit, of any right of the Supplier (through a license or other) on the named information. This condition is valid for copyright and rights concerning literary and artistic property and industrial secret, too. **7) LOAN USE:** Possible allowances of loan use or machinery, equipments, moulds or similar of SITEP ITALIA property in order to allow execution of supply to SITEP ITALIA itself should be in accordance with art. 1803 and 1812 of CC. Goods on loan for use cannot be retained by the Supplier, whatever motivation he could have whatever dispute is on. The Supplier should insure the goods on loan for use against robbery or accidental injury, for which the Supplier is responsible towards SITEP ITALIA. **8) DELIVERY TIME:** Delivery times are peremptory. In case of delay, for part of the order too, SITEP ITALIA may at its incontestable discretion undertake one of the following actions: a) hold the order back and charge the Supplier a penalty equal to 0,2% for each day of delay till the tenth day and equal to 0,5% for each day of delay from the tenth day on till a maximum of 10% of the total amount/price of the Supply considered in Particular Conditions, without any notice; b) in case of a more than ten day delay, Sitep Italia may at its incontestable discretion proceed with the partial or total dissolution of the order with the obligation of informing the Supplier, by charging him the same penalty as above anyway; c) buying elsewhere materials not delivered, under most convenient circumstances, even not considering the cases indicated in the art. 1516 CC., charging the defaulting Supplier the difference between established price and highest price on the market, and any other expense due to this operation; d) charging the defaulting Supplier the expense caused by a possible interruption of production, with all direct or indirect damages caused by the “plant stoppage”. e) Sitep Italia has the right to compensate every amount due to the Supplier with the amount criminally accumulated during the execution of the PO; f) Partial and/or incomplete execution of the Supply is considered as non execution. Bringing the above actions, separately or allied, does not preclude the right of compensation for bigger undergone damages. **9) SURPLUS DELIVERIES:** SITEP ITALIA undertakes no responsibility for materials delivered in surplus in respect to purchase order, even if materials are already in the warehouse. SITEP ITALIA decides at its incontestable discretion either if to hold surplus material, counting payment time from effective usage, or if to return surplus material to the Supplier, in the most proper time and way, charging the Supplier the expenses incurred. Deliveries that are in conformance with the ordered quantity, but in advance in respect to the time established, will be considered as surplus deliveries, therefore subject to this clause. **10) QUALITY AND QUANTITY CONTROL:** Acceptance of material is subject to quality and quantity controls carried out by SITEP ITALIA Control Office only. Therefore, material pick up is “in abeyance”. SITEP ITALIA is not subject to consequences foreseen in the last Comma of art. 1513 CC., if it has not required the quality and condition check in conformance with art. 696 C.P.C. For denunciation to Supplier of defects of materials delivered, SITEP ITALIA may avoid to follow limits established in art. 1495, 1667 C.C. Denunciation of defect, even if apparent, can be made at anytime after delivery, also if material has already used in production processes or assembled on the manufactures, and even if invoices relevant to materials contested have already been paid. If these are waste products, SITEP ITALIA can at its incontestable discretion follow one of the following actions: a) rejecting the whole batch and charge the Supplier the expenses; b) holding the batch and select it 100% by charging to the supplier all expenses and returning the waste material; c) requiring replacement of waste material under the same contractual conditions; d) canceling the order and refusing the following supplies; e) finding elsewhere materials needed in conformance with sect. c) - d) –e) of clause 8); f) requiring indemnity for damage experienced. In case of waste material, if material is already considered a “SITEP ITALIA product”, SITEP ITALIA reserves to return the whole “product” to the Supplier of the defective part, charging the Supplier the whole expense of the “product” including labour, except the highest damage indemnity. **11) SUPPLIER’S NON COMPLIANCES:** Every Supplier’s non compliance gives SITEP ITALIA the right of suspending the payments due for previous services, even if non relevant to the discussed order, as guarantee against consequences of non compliance, without the necessity of caution measures by the Court. The Supplier should always send to SITEP ITALIA the bank statement of all invoices issued, for each due date, within the first 10 days of the month following the issue. In case of defect, SITEP ITALIA will not issue the payment order. **12) TRANSPORT:** The place of delivery of materials is SITEP ITALIA warehouse, except in case of different agreement indicated in Particular Conditions. Whatever the agreed return is, the material is transported at risk and danger of the Supplier. In case of delay in delivery even if due to vector non compliance, the payment terms of the material will have effect from the date of effective arrival at SITEP ITALIA warehouse, whatever the agreed return is. **13) PRICES:** Prices given in the PO are accepted through the confirmation of the PO and the execution of the supply. Prices are fixed and irrevocable. The complete or partial non execution of the order, under given conditions, after acceptance or beginning of supply, will cause an action of covenant. **14) SUPPLIER’S SALE CONDITIONS:** SITEP ITALIA accepts the Supplier’s sale conditions, if they agree with the conditions herein explained. **15) PACKING:** Packing expenses are only recognized if they ere expressly and previously established. Movement of packing of SITEP ITALIA’s or Supplier’s property will be at Supplier’s care and expense. **16) DELIVERIES:** The Supplier is responsible of deliveries to his Supplier as if they were his own. **17) TERMINATION:** Sitep Italia reserves the authority to terminate for any reason the PO with a notice of at least 15 calendar days to send to the Supplier through a registered letter. If Sitep Italia terminates the PO, Sitep will recognize the compensation that has been established for the materials already delivered and accepted at the termination date to the Supplier, except the part of the Supply commissioned by Sitep Italia, but not formally accepted, whose compensation will be paid by Sitep Italia after the formal acceptance. It is also established that the Supplier renounces any other claim deriving directly or indirectly from the advanced termination of the contract established with the acceptance of the PO from now on towards Sitep Italia. **18) EXPRESS TERMINATION CLAUSE:** In case of non-fulfillment of the Supplier to the obligations indicated in the PO, Sitep Italia can terminate the same PO, without prejudice to the right of Sitep Italia of claiming compensation for damages. Sitep Italia can totally or partially terminate the PO de jure, without indemnification obligation, if the Supplier: a) stops the execution of the Supply indicated in the PO; b) is in judicial administration or bankruptcy, enters into an arrangement with creditors, or any other bankruptcy proceeding, or is over-indebtedness; c) is subject to change in property or in control of the Supplier; d) does not respect the obligations indicated in the above mentioned Articles and in the General Terms. Sitep Italia will terminate the PO by sending the Supplier a registered letter describing the explicit intention of using the express termination clause. **19. WARRANTY:** The Supplier explicitly guarantees the absence of defects of the Supply and the proper functioning and the immediate ready to use condition of the materials and/or activities delivered to Sitep Italia. Except what differently indicated in the Particular Conditions, the warranty will lasts for a period of time of 24 months starting from the delivery, or from the date of acceptance if a test is required. On discretionary Sitep Italia can report defect to Supplier within 60 days from their discovery. Eventual controls, inspections or tests done in conformity with the previous Article 10) do not eliminate or reduce Supplier’s responsibility. During the warranty period, if Sitep Italia notices defects in Supply functioning, Supplier shall repair or replace the item, at Sitep Italia choice, within 15 days from the notice of malfunctioning. The repaired or replaced materials will be under warranty for the same period of time and under the same conditions as the original materials. The warranty starting date will correspond to the date of acceptance of the repaired or replaced materials. If Sitep Italia returns the supply materials to the Supplier for repairing or replacing as consequence of what this Article or the previous one 10) indicate, all the risks and charges relevant to the replacing, including delivery costs will be at Supplier’s charge. If any accident/damage occur due to a defectiveness of an item of the Supply, the Supplier will compensate for any consequent damages and will discharge Sitep Italia and its successors in title from any action and/or claim of Third Parties, as well as from any cost or charge that Sitep Italia and its successors in title should have as consequence of these action and/or claim. **20) COMPETENT COURT:** La Spezia Court (Italy) is the competent court for all eventual contentions and discussions.