

Industrie CBI S.p.A.**Socio Unico**

Via Della Taccona, 77
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info@industriecbi.it
www.cbifans.com

General Purchase Conditions

(Ref.: 12/2017)

1. Acceptance of the Order and implementation of the General Purchase Conditions

1.1. These General Purchase Conditions apply to any orders issued by CBI S.p.A. and are an essential and integral part of each and every purchase order.

The purchase orders issued by CBI shall be deemed to have been accepted by the supplier **(I)** implicitly, if the supplier does not send a formal communication of renunciation within 5 (five) days from the date the order is transmitted, **(II)** if the supplier starts processing the order, or **(III)** the supplier issues a formal order confirmation.

By accepting the order in one of the ways listed above, the suppliers shall expressly accept all terms and conditions herein contained and attached to all purchase orders, thus waiving, even partially, their own General Conditions of Sale.

Any request for derogation from these General Purchase Conditions shall be submitted in writing before starting, even partially, to process the order. Industrie CBI S.p.A. may accept or reject the requests for change submitted by the Supplier.

The changes entered in the order confirmation or described in the correspondence shall not be valid unless approved in writing by Industrie CBI before the order is processed. Any verbal understandings in derogation from the provisions hereunder shall be binding for the Parties only if expressly ratified in writing.

2. Prices and payments

2.1 Any prices contained in the orders issued by Industrie CBI shall be deemed as fixed and irrevocable throughout the execution of the Purchase Order.

2.2. The terms of payment are indicated in the order. Payment of an invoice shall not constitute acceptance of the supplied products and shall not relieve the Supplier of their responsibility to supply products in conformity with the specific requirements contained in the Purchase Order.

2.3. It is expressly agreed between the Parties that the credits deriving from the supply cannot be assigned or delegated in any way, unless previously approved in writing by Industrie CBI.

3. Invoicing

3.1. Any invoice issued by the Supplier and not containing a Purchase Order number shall not be processed by Industrie CBI, until it has been properly corrected.

3.2. The Supplier shall make sure that their invoice is received at the latest on the fifth working day of the month following that in which the invoice was issued. If this is not the case, the invoice shall be registered one month later and payment shall be consequently postponed by 30 days.

3.3 Italian invoices must be arrive via SDI; the foreign invoices must be send at the following e-mail address: conta-fornitori@industriecbi.it

4. Delivery dates

4.1. The Supplier acknowledges that the delivery dates indicated in the order are essential and binding. If they fail to deliver within that period, the Supplier shall timely inform Industrie CBI on the causes of such delay and the actions undertaken to minimise the delay and the Purchasing Department may or may not accept such delay. In any case, without prejudice to the provisions of article 10, failure to deliver the supply within the date indicated in the order shall oblige the supplier to liquidate damages for delay, amounting to 1% of the total value of the supply per week of delay or part thereof, up to a maximum of 10 weeks (in addition to a fixed amount of € 500.00 as administrative and claim management fee).

Non-compliance within 10 weeks from the delivery date set in the order shall entitle Industrie CBI, at their own exclusive discretion, to **(I)** purchase the goods from another supplier, at non-compliant Suppliers' expense, or **(II)** withdraw from the contract due to non-performance of the Supplier and request the Supplier liquidated damages up to the maximum amount indicated in the order.

4.2. Industrie CBI reserves the right to refuse partial or early deliveries and may return such deliveries at Supplier's costs and risks.

4.3. The Supplier shall inspect the products before their delivery with the aim of checking not only the conformity of the products with the features and technical specifications

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contained in the order, but also conformity of the packaging with the mode of transport indicated in the order.

- 4.4 The Supplier shall indicate the order number, the article code and specifications that are required to identify the goods and quantities in every document.
- 4.5 Industrie CBI is entitled to reject any deliveries that are accompanied by a delivery note that is incomplete or contains descriptions or references other than the ones specified in the order or, even more important, does not include the order reference number.

5. Transfer of ownership and risks

- 5.1. Transfer of title will occur upon payment of any part of the purchase price by Industrie CBI or upon delivery of the goods to the place specified in the order, whichever happened first. No title clause in favour of the Supplier shall be valid, unless expressly agreed upon in writing with industrie CBI.
- 5.2. Unless otherwise agreed upon by the Parties, the transfer of risks shall be made in compliance with the ex-Incoterms 2010 terms of delivery specified in the order.

6. Acceptance and guarantees

- 6.1. Advance notice of deliveries, indicating brands, quantities, net and gross weights of the packages, cross-references for the supplier's codes and CBI codes, arrangements for returns and mode of transport, must be given to Industrie CBI. Industrie CBI shall not be held accountable for any materials exceeding the quantities specified in the order, even if such materials have been temporarily accepted by our warehouses.
- 6.2. Any materials delivered to Industrie CBI shall be deemed as "conditionally" accepted and collected, pending the inspection and verification of product conformity with the technical specifications and characteristics indicated in the order carried out by Industrie CBI within a reasonable timeframe. The release form, if any, issued upon receipt of the goods (such as, by way of example and limited to, the signed delivery note) shall in no way be considered a document that relieves the Supplier of their responsibilities if the delivered products are found, during a subsequent inspection, to not comply with the order specifications. If the delivered goods do not reflect the specifications contained in the order, the delivery shall be rejected at Supplier's costs.

- 6.3. The supplier gives a 24-month guarantee on all the materials from the delivery date of the supply.

- 6.4. The supplier guarantees that the delivered product meets the specifications and technical features indicated in the order (the supplier shall be held accountable even in case of sub-contracting authorised by Industrie CBI). Specifically, the Supplier guarantees that, during the period covered by the guarantee, the supplied product will be free from any design, manufacturing, construction and assembling flaw and / or defect, the utilized materials are free from any defects and that the products have been manufactured in conformity with the quality and technical standard indicated in the contract specifications.

- 6.5. In case of product non-conformity with the order specifications, Industrie CBI, without prejudice to compensation of damages, shall communicate such non-conformity in writing to the Supplier and give the latter 15 days to solve the problem.

Upon expiry of this time limit, without prejudice to the right to compensation of any damages, Industrie CBI may at their sole discretion

(I) Partially or totally terminate the order and return the defective products to the supplier at the expense of the latter or (II) reject the non-conforming products and request the supplier to deliver the replacement products as rapidly as possible or (III) have the defective product replaced with a conforming one from another supplier and the relevant expenses shall be paid for by the defaulting supplier, or (IV) accept a reduction in the agreed upon price for these products.

The cost of replacement, modification and / or repair (including by way of example, but not limited to, the cost of transport and the cost of replacement) shall be incurred by the supplier, regardless of the place where the intervention is made.

- 6.6. If, despite the repairs under warranty, the supplier cannot correct the product defects, Industrie CBI is entitled to request the termination of the contract, compensation for damages by reason of Supplier's default, without prejudice to compensation for further damages.

- 6.7. Repairs under warranty shall extend the warranty period under article 6.3 by a period of time equal to the time needed to complete the intervention.

7. Liability and insurance

- 7.1. The supplier shall be held accountable towards Industrie CBI and any other third parties in case of any damage caused by the supplier, their employees or any other person performing any activity specified in the order on behalf of the supplier.



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The Supplier shall hold Industrie CBI harmless, and compensate them for damages resulting from the Supplier's non-compliance with the order, from any third parties' requests and / or claims, and shall be accountable for any economic consequences resulting from these claims, up to max. 100% of the contract value.

- 7.2 Subject to suitable notice, the Supplier shall allow the staff of Industrie CBI and /or the staff of the Customer to be present on site during the tests and / or to verify the progress in the production of the products and give them relevant information and support.
- 7.3 The Supplier shall shoulder the burden of using and supplying only those materials that meet the requirements of the Directive 2002/95/EC (RoHS) and subsequent amendments and integrations thereof, containing the list of banned substances. Moreover the Supplier shall shoulder the burden of complying with the provisions of the Regulation 1907/2006 (REACH), and its subsequent amendments, for any materials, substances and items provided by the Supplier.
- 7.4 The Supplier shall obtain suitable insurance coverage for any liabilities resulting from the order fulfillment.
Upon request of Industrie CBI, the Supplier shall make copies of the insurance certificates available to them. In any case, providing the insurance shall not relieve the Supplier of their responsibilities. Therefore the Supplier shall be responsible for repaying any damages if the economic consequences cannot be partially or fully covered by the afore-mentioned insurance policy.

8. Intellectual property rights and confidentiality

- 8.1. The Supplier guarantees that the supplied products do not infringe or breach any patent, trademark, copyright or third parties' intellectual property rights.
The Supplier hereby undertakes to relieve of liability and entirely indemnify Industrie CBI for any action, claim, apportionment of responsibility, damages, costs and expenses (including legal fees) that are due or have been caused by the infringement of intellectual property rights.
The Supplier shall hold Industrie CBI, at their own expenses, harmless from any action, claim or legal proceedings.
- 8.2 Any drawings, gauges, molds or samples delivered to the Supplier to process the orders remain the property of Industrie CBI and shall be returned to Industrie CBI as soon as requested and in good conservation status. In case of non-compliance, the

Supplier shall be charged any costs and expenses for the replacement or repair of the delivered goods.

- 8.3 In accepting the order, the Supplier shall commit themselves to producing the exact quantity indicated in the order and shall in no case give third parties any items that have been manufactured according to Industrie CBI drawings or samples.
- 8.4 The Supplier shall maintain confidentiality on any data or information received upon placement of the order. The Supplier shall not disclose any data to third parties (with the exception of their staff and for reasons connected with the project and shall request confidentiality also from the members of staff), and shall not use the information for reasons other than processing the order, unless previously authorized in writing by Industrie CBI. The Supplier shall keep the project contents confidential for 10 years from the date such contents were communicated by Industrie CBI to the Supplier.

9. Contract termination

- 9.1 Should the Supplier not comply, either partially or totally, with any obligations resulting from an Order, Industrie CBI shall be entitled to cancel the order for Supplier's failure to fulfill their obligations, by giving the Supplier 15-day notice in writing to correct such non-compliance. Upon expiry of this period, Industrie CBI may immediately terminate the order, without prejudice to their right to compensation, as per herein article 7.1.

10 Force majeure

- 10.1 Circumstances constituting force majeure include extraordinary events beyond the Parties' control which are unforeseeable, in spite of due diligence obligations, and prevent the Parties from fulfilling the contract obligations. Force majeure causes include by way of example, but are not limited to, fires, explosions, floods, earthquakes, wars, etc.
- 10.2 Should a force majeure event occur, the affected Party shall immediately inform the other Party in writing (in any case within 5 days from the onset of the force majeure event), describe the event, give relevant evidence and indicate the assumed delay in the fulfillment of the order.



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10.3 60 days after the notification of force majeure, the Parties may re-negotiate the provisions and if no agreement is reached within the next 30 days, either Party may terminate the Contract by giving written notice to the other, without giving rise to any obligation to compensate.

10.4 Should the supply contract be terminated, either Party will be entitled to keep what they have obtained from the fulfillment of the order, from order confirmation up and until occurrence of the force majeure event, provided that contractual consideration is proportionate to the value of the first supply.

11. Sub-contracting and assignment

11.1 The Supplier shall not sub-contract the order, either totally or partially, without prior authorisation from Industrie CBI. In any case, even if subcontracting has been authorised, the Supplier shall ultimately be accountable for the correct and conforming fulfillment of the order and guarantee that the subcontractor/s comply/ies with the order and these general purchase conditions.

11.2 The Supplier shall not assign, delegate and/or transfer the order placed by Industrie CBI S.p.A (not even partially) without express authorization in writing granted by our company. If contract assignment is authorized, the assignee shall be bound by the Terms and Conditions herein contained.

12. Substantial changes

12.1 The Supplier shall timely inform Industrie CBI on any substantial change in the legal structure of the Company or any change in the structure of capital control.

13. Applicable law

13.1 The order is governed by the Italian law and any aspects or subject matters that are dealt with in the order, also including these general purchase conditions that are an integral and substantial part of the order, shall be regulated and construed in conformity with the Italian law.

14. Jurisdiction

14.1 Should any dispute between the Parties arise due to the order (by way of example, but not limited to, due to its interpretation and fulfillment), the Parties shall commit themselves to reaching an amicable solution within 30 days. If they fail to do so within that period, the application for the amicable settlement of the dispute shall be submitted to the Law Court of Milan, and the parties shall not be allowed to bring the case before another court. Italian will be the language of the proceedings.

Pursuant to articles 1341 and 1342 of the Civil Code, the Supplier hereby declares that they have understood and approved in writing all the clauses contained in these General Purchase Conditions.

Supplier's signature