



GENERAL CONDITIONS OF PURCHASE

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1. PURPOSE AND APPLICATION

- 1.1. These general conditions (the “**General Conditions**”) regulate the purchase from Finnord Group (the’ “**Purchaser**”) of goods (the “**Products**”) to be supplied by the supplier (the “**Supplier**”).
- 1.2. These General Conditions shall always be deemed as fully applicable unless the Supplier requests an express derogation therefrom or a full and/or partial limitation of their applicability by means of a written communication to be notified to the Purchaser within and no later than 5 working days from the date of receipt of a purchase order by the Purchaser (the “**Order**”) and the Purchaser has expressly agreed to such request.
- 1.3. In case within the same term referred to above, the Supplier does not return the Order signed to the Purchaser or the Order returned to the Purchaser does not mention any request of derogation and/or exclusion in full and/or in part of the applicability of the General Conditions, these latter shall be deemed as fully accepted and applicable
- 1.4. The General Conditions shall also be deemed as fully accepted and applicable in case the Supplier commences the performance of any Order also in case of lack of a prior express acceptance of the Order or signature of these General Conditions which are however published and available on the website of the Purchaser at www.finnord.it.
- 1.5. In case of any inconsistency, the provisions of the Order shall prevail over these General Conditions as well as over any other special or general terms which shall in any case be construed for the benefit of the Purchaser.

2. GENERAL

- 2.1. The Order and/or the performance thereof cannot be assigned by the Supplier for any reason whatsoever and not even in part without the previous written consent of the Purchaser.
- 2.2. Unless expressly authorized by the Purchaser and within the limits of such possible authorization, the Supplier shall avoid publishing in whatsoever manner and/or make public declarations concerning its relationships with the Purchaser and shall treat as confidential all the technical, commercial and/or other information it may become aware of in connection with the execution of the Order.



3. INTELLECTUAL PROPERTY

- 3.1. For the purpose of these General Conditions, "Intellectual Property" shall mean the intellectual property and the relevant intellectual property rights including without limitation, copyright, inventions, patents, patents applications, know-how, related to any product, process, method, machine, design, technique, problems solution and any relevant update and/or improvement as well as the trademarks, distinguishing signs, industrial secrets, software, data, data base, technical information and technology.
- 3.2. The Supplier acknowledges and agrees that the Purchaser is the exclusive owner (or the licensee) of any Intellectual Property right related to products, drawings, specifications, models and/or projects provided to the Supplier for the performance of the Order, as well as to any catalogue, brochure, and any other document, material, prototype, equipment etc. which the Purchaser may provide to the Supplier for the performance of the Order as well as for the projecting, experiment or manufacturing of a Product.
- 3.3. The products, drawings, models and/or projects (and any other document and/or material) provided by the Purchaser to the Supplier, shall be returned to the Purchaser at the completion of the supply, or upon Purchaser's simple request, and shall not be copied by the Supplier, disclosed or assigned to third parties for any reason whatsoever, *reverse-engineered* and/or used in any manner and for any scope other than the performance of the contract as referred into each individual Order.
- 3.4. The Intellectual Property which may be granted by the Purchaser to the Supplier for the performance of the Order shall be intended as licensed on a non-exclusive and non-perpetual basis and exclusively for the use and maintenance necessary for the performance of the Order.
- 3.5. Should the above Intellectual Property of the Purchaser be disclosed by the Supplier to third parties due to construction and/or installation reasons, or for reasons connected with the correct performance of the Order, the Supplier shall be entitled to the relevant disclosure only if previously authorized in written by the Purchaser and according to the methodology authorized by the Purchaser.
- 3.6. The production of materials based on drawings, specifications and models provided by the Purchaser shall be limited to the quantity indicated in each Order and the Supplier undertakes to destroy any possible surplus material and to properly provide evidence thereof. The manufacturing and marketing of materials based on drawings, specifications and models provided by the Purchaser, outside the scope of the Order, is expressly forbidden.
- 3.7. It is expressly understood that (i) any and all Intellectual Property right deriving from and/or made and/or developed by the Supplier, directly or indirectly, on its own or in cooperation with third parties, in connection with the performance of the Order, (ii) the creations and/or inventions howsoever developed by the Supplier with the use of the Purchase's Intellectual Property are and shall remain the sole and exclusive property of the Purchaser.



3.8. The Supplier guarantees that the materials supplied to the Purchaser do not infringe any third party Intellectual Property right and that there are not pending nor threatened legal actions concerning any such third party right.

3.9. The Supplier undertakes to keep the Purchaser – and the customers of this latter – fully harmless and indemnified with respect to any action brought by any third party for the infringement of Intellectual Property rights in relation to materials/equipment supplied to the Purchaser, as well as to reimburse any further damage which may arise therefrom.

4. SPECIAL EQUIPMENT AND MATERIALS

4.1. The equipment (calibres, moulds, specific equipment, control equipment etc, the “**Equipment**”) that the Purchaser may make available to the Supplier for the execution of the Order are and shall remain the exclusive property of the Purchaser. The Supplier shall custody the Equipment and shall be liable of their loss, destruction and damage.

4.2. With reference to the Equipment, the Supplier shall in particular:

- a) register and mark the Equipment as belonging to the Purchaser;
- b) provide appropriate insurance coverage for the case of loss and/or damage of the Equipment;
- c) custody the Equipment and use them with the due care and proceed at its own expense to their ordinary maintenance;
- d) do not transfer the Equipment out of its plants unless previously authorized by the Purchaser and with the exception of transfers for reparations at specialized garages;
- e) permit to the Purchaser to control at any time the work modalities, the conservation and use of the Equipment and their state of use;
- f) not transfer the Equipment to third parties for any reason whatsoever and do not create any kind of guarantee over them;
- g) unless previously authorized by the Purchaser, not use nor permit the use of the Equipment out of the execution of the Purchaser's Orders, even after the completion of supply, and in any case not produce and/or transfer to third parties, for any reason whatsoever, directly or indirectly, for use in production or as spare parts, articles drawn or manufactured based on the Equipment;
- h) comply with the instructions which will be provided by the Purchaser with respect to the restitution or conservation of the Equipment once the Order has been performed.

5. COLLECTION MEANS – PACKAGING – DOCUMENTATION

5.1. The Supplier undertakes to supply the Products in appropriate packaging previously agreed with the Purchaser to guarantee the integrity of the Products themselves.

5.2. All the technical documentation related to the supplied Products and the documentation which may be requested by local laws, represent integral part of the supply and shall be provided together with the Products subject matter of the Order.



- 5.3. The Supplier shall in particular, in case the supply is subject to marking, transmit all the documentation concerning the CE marking of the Products or other certification which may be provided by the applicable law.
- 5.4. In case the Product is subject to particular Italian and/or foreigner regulations (concerning by way of example and without limitation, safety, hygiene, pollution etc), upon indication of the Purchaser, the Supplier shall produce a specific documentation concerning the homologation and testing of the concerned characteristics to the necessary extent.
- 5.5. In case the Products shall be delivered by means of collection means belonging to the Purchasers (the “**Means**”), the Supplier undertakes to act according to the modalities hereinafter referred.
- 5.6. The Means provided to the Supplier for the delivery of the Products, are and will remain the property of the Purchaser and shall be kept by the Supplier with the maximum care at its own plants or, previous written agreement with the Purchaser, in another place.
- 5.7. The Supplier shall be considered the sole and entirely liable person of the Means for the whole period during which the Means are under its custody, and shall in any case be deemed liable for any loss or damage of such Means even if due to accident.
- 5.8. In case of damage, theft or loss for whatsoever reason of the Means, the Supplier shall bear entirely all the costs for the restoration and/or replacement of the missing or damaged Means.
- 5.9. The Means shall be used exclusively for the transport of the Products concerning the Orders, to and from the plants of the Purchaser and for the containment at the Supplier of the stock of Products agreed with the Purchaser.
- 5.10. The monitoring of the movements to and from the plants of the Purchaser as well as of the stocks at the Supplier's shall be made by means of a printed report that the Supplier will monthly deliver signed to the Purchaser.
- 5.11. The Purchaser reserves the right to carry out also by its persons in charge at any time control visits – also without previous notice – at the plants of the Supplier with the scope to verify possible misuse of the stock and Means of its own property.
- 5.12. The Purchaser further reserves the right to request at any time to the Supplier the inventory of the Means provided to it and this latter undertakes to draft and promptly deliver to the Purchaser such inventory.
- 5.13. Should in case of controls or on the basis of the results of the inventory, misuses or excess of Means provided to the Supplier be ascertained, the Purchaser shall have the right to immediately recover the Means at the Supplier's costs.
- 5.14. Should in case of controls or on the basis of the results of the inventory, deficiencies or damage of the Means be ascertained, the Purchaser shall have the right to charge the Supplier the entire cost for the replacement or restoration of the Means themselves.
- 5.15. The verification of the integrity of the Means will be made also at the time of restitution of such Means to the Purchaser.



6. ACCEPTANCE – DEFECTS AND WARRANTIES

- 6.1. The Products are always intended as accepted on a provisional basis only at the time of the delivery and remain subject to technical testing and quantity and quality control by the Purchaser or, depending on the case, at the date of acceptance of the plant/final product on which the Products may be installed by the customer of the Purchaser (“**Final Acceptance**”).
- 6.2. The warranty on the quality of the materials and their good functioning shall have a duration of 36 months, or the different duration which may be indicated in the Order, commencing from the Final Acceptance.
- 6.3. The Supplier warrants the quality of the Products, the lack of defects and the compliance of the Products with the specifications requested, defined and agreed with the Purchaser; furthermore the Supplier warrants the safety and fit for purpose of the Products in relation to the purpose to which they are intended as well as their compliance with the Italian and foreigner regulations indicated by the Purchaser and/or in any case applicable. Defects and non-conformities may be objected within 90 days from the discovery, being it precedent, contextual or subsequent to the use of the Product in the production, or also after the marketing phase of the Product by the Purchaser. The Purchaser undertakes to report the existence of whatsoever defect and/or non-conformity by sending to the Supplier a non-conformity communication which indicates – to the reasonable possible extent – the nature and entity of the discovered defect and/or non- conformity (the “**Non-Conformity Report**”).
- 6.4. Accepting the Order or performing the supply, the Supplier declares to know the destination of the Product and to have a sufficient structure, resources and means to perform the Order according to the best standards and to proceed to any restoration and/or replacement of the Products which may be necessary. The Supplier undertakes to adopt and maintain means, productive and control processes appropriate to ensure that the Products are at any time reliable, of quality and compliant with the technical specifications agreed upon and/or requested by the law.
- 6.5. In each of the batches of the Products supplied to the Purchaser no elements having characteristics/values beyond the limits requested by the Purchaser and/or by any applicable law will be accepted; therefore should one or more Products have characteristics beyond such limits, the batch of the Product supplied will be considered as “non-compliant” or “waste”.
- 6.6. In case the defect or the non-conformity of a Product be discovered during the period from the delivery of the Product and/or the use of the Product in the production by the Purchaser, the Purchaser, after transmission of the Non-Conformity Report to the Supplier, shall have the discretionary right to:
 - a) return to the Supplier the entire batch of the Products including the defective Product, at the Supplier’s cost and risk and to be paid back any amount which the Purchaser may have already paid to the Supplier for such batch;
 - b) request the replacement and/or reparation of the defective Products at the Supplier’s cost;
 - c) if agreed with the Supplier demolish at its own plant and at the Supplier’s cost the defective Products which are not recoverable;



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- d) ask the Supplier to proceed at its own expenses to the selection of the defective Products, giving the Supplier a term to such purpose, or proceed itself to such selection at the Supplier's cost and risk in case the Supplier has not proceeded within the term assigned and agreed with the Purchaser;
 - e) recover, at the Supplier's cost and risk the defective Products with additional manufacturing and/or amendment to the internal production cycle.
- 6.7. In addition to the above remedies, the Purchaser shall have in any case the right to charge the Supplier all the costs incurred for the control, warehousing and/or manufacturing already made on the Products until the discovery of the defect as well as the right to act against the Supplier to claim the excessive damage possibly suffered.
- 6.8. In case the defects and non-conformities of the Products are discovered by the Purchaser's customer, the Supplier shall keep harmless and fully indemnified the Purchaser with respect to any action, claim, request for damages brought by Purchaser's customer, as well as to pay any other damage suffered by the Purchaser, without prejudice to any other remedy in favour of the Purchaser and contemplated by these General Conditions or by the applicable law.
- 6.9. The Supplier shall also keep harmless and fully indemnified the Purchaser from any action, claim and/or request for damages brought by third parties for the breach of legal rules (such as for instance relating to safety, hygiene, pollution etc.) as a result of the defect and non-conformity of the supplied Product.
- 6.10. Should the Purchaser opt for the remedy under section 6.6 lett. b above, the Supplier shall be obliged to intervene within 48 hours from the request of the Purchaser or in the different term agreed between the parties. The request of the Purchaser shall be deliver in written to the Supplier. In case of failure by the Supplier to intervene within the above term, the Purchaser shall have the right to proceed to make directly the necessary replacements/amendments, charging the entire cost to the Supplier, without prejudice to the warranty conditions and the right of the Purchaser to terminate the contract due to the Supplier's fault.
- 6.11. It is understood that the Supplier shall have in any case the obligation to intervene upon request of the Purchaser without the right to raise any objection which may be raised only once the action has been made by the Supplier.
- 6.12. The Supplier shall bear any and all costs related to any such remediation or corrective action, including those for the restoration/replacement of the materials, the labour force used to such purpose (including possible costs for food, accommodation, visa etc.), shipment costs, including taxes, duties and customs duties which may apply.

7. DELIVERY – FORCE MAJEURE

- 7.1. The Products delivered together with the documentation provided by these General Conditions or by the applicable law, shall always be accompanied by the relevant transport document (“DDT”). If requested also the copy of the document not valid under D.P.R. n. 627/78 shall be delivered.
- 7.2. The DDT shall contain the following information:



- a) Recipient and address of delivery
- b) Supplier's denomination
- c) Product code assigned by the Purchaser
- d) Product name
- e) Order number
- f) Quantity delivered
- g) Number of packages (packaging, container code)
- h) Any other indication requested in the Order.

- 7.3. Each DDT shall refer to the Products of a single Order or delivery program.
- 7.4. The marking, packaging, labelling, identification, shipment and transport of the ordered Products shall be made in compliance with the instructions given by the Purchaser.
- 7.5. The terms or delivery programs agreed and indicated on each Order are binding for the Parties and of the essence in the interest of the Purchaser, and with respect of them, delays or anticipated deliveries will not be accepted. In case of non-observance of the terms and/or partial and/or deferred deliveries, the Purchaser shall have the right to immediately terminate the contract for Supplier's fault and to act against the Supplier to claim any relevant and consequent damage.
- 7.6. The Products shall always be deemed delivered at the warehouse/plants of the Purchaser unless specifically otherwise agreed in writing.
- 7.7. Transport conditions and modalities, load and unload of the Products, payment of customs duties, if any, are indicated in the Order
- 7.8. In case the performance of the Order is prevented by force majeure events, the Supplier shall promptly give notice thereof to the Purchaser and the parties shall negotiate in good faith the possible extension of the delivery terms. Should the force majeure event last for over 60 days the Purchaser shall have the right to withdraw from the contract and nothing shall be due to the Supplier.

8. PRICES

- 8.1. The price for the Products subject matter of the Order is that agreed and indicated in the Order itself. Such price shall be considered fix and invariable until full completion of the Order and not subject to price indexation or revision.
- 8.2. Any variation of the price shall be expressly agreed in writing between the parties.
- 8.3. Prior documentation and/or offers which may have been provided by the Supplier to the Purchaser - but which are not reproduced and/or referred to in the Order - shall be deemed to be preliminary in nature and have no impact or binding impact on the price indicated in the Order.
- 8.4. The price shall be intended in Euro currency unless otherwise agreed.



9. INVOICING AND PAYMENTS

9.1. The Supplier shall issue a sole invoice indicating all the ordered Products. The invoice shall contain the following issues:

- a) Order number;
- b) DDT number;
- c) Product code assigned by the Purchaser;
- d) quantity of Products purchased;
- e) price indicated in the Order
- f) VAT

9.2. Payment terms and modalities are those indicated in the Order.

9.3. The Purchaser will make the payment of each invoice duly completed according to the modalities and terms agreed.

9.4. The payment shall in any case be due starting from the date of receipt of the Products together with all the documentation indicated by these General Conditions and/or by the applicable law and/or agreed between the parties.

9.5. In case the Products purchased by the Purchaser are equipment/machineries (the "**Equipment**"), the relevant payment will be subject to the previous control of the Equipment and approval by the Purchaser, to the delivery by the Supplier of the duly completed self-certification report of each Equipment as well as to possible additional requisites which the Purchaser shall have in any case the right to request.

9.6. The Equipment which – once manufactured – are loaned for free to the Supplier for the purpose of manufacturing Products for the Purchaser may be invoiced only after the Purchaser has given its approval according to section 9.5. above and in any case upon written authorization of the Purchaser. Should the Supplier issue the invoice in breach of the preceding provision and in particular without the written authorization of the Purchaser, the payment of such invoice shall be deemed in any case due from the issuance of the written authorization by the Purchaser.

9.7. The Purchaser shall be entitled to not proceed to the payment of invoices not having the requisites provided herein or indicating prices and/or conditions not expressly agreed and accepted prior to the issuance of the invoices themselves.

9.8. In case of supply of defective or non-compliant Products or batches according to the provisions of section 6 above, the Supplier, on the basis of the remedy chosen by the Purchaser, shall issue a credit note for the amount of the non-compliant Products or batches. In case of failure to do so, the Purchaser reserves the right to issue the relevant debit note. The Purchaser shall have the right to deduce the debit notes from the payments to the Supplier.



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10. GOVERNING LAW AND JURISDICTION

- 10.1. The Order and these General Conditions are regulated and subject to the Italian law with the exclusion of the applicability of the Convention of Vienna of 1980 on the international sale of goods.
- 10.2. Any dispute concerning these General Conditions and/or the Order shall be submitted to the Court of Varese, without prejudice for the Purchaser to sue the Supplier before the Court of the place where the registered offices of the Supplier are located.