

GENERAL CONDITIONS OF PURCHASE

(REV. 2017)

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1. INTRODUCTION

1.1. This document rules the General Conditions of all purchase orders issued by FBR-ELPO S.p.A. as Purchaser to Suppliers concerning goods and/or Services and binds the parties within the limits of their applicability to the subject of the supply (only goods or only Services, Goods and Services together) and of the specific type of goods and/or Services offered.

1.2 The Purchase Orders of FBR-ELPO S.p.A. are ruled by the General Conditions that are described below, unless otherwise specifically set by particular conditions reported in the Order, which shall override the General Conditions in case of conflicts.

1.3 Every derogation or addition to the General Conditions shall be valid only by written acceptance of FBR-ELPO S.p.A.

1.4 The General Conditions shall form an integral part of the Purchase Contract and they are considered to be completely accepted by the Supplier.

1.5. These General Conditions are published on FBR-ELPO's internet site www.fbr-elpo.it (Document section) and are considered to be known and accepted by the Supplier.

2. DEFINITIONS

2.1. For the purpose of the discipline pursuant to the present General Purchase Conditions and to the Order, the terms below, regardless the use of singular or plural forms, shall mean as follows:

- a) "Purchaser": FBR-ELPO S.p.A. which issues the Order to the Supplier for the supply of Products, Materials and Services;
- b) "Goods / Services": goods shall mean materials in general and semi-elaborated and/or finished products; Services shall mean accessory services requested by the Supplier and described in the Contract, which shall be supplied by the Supplier against the Order;
- c) "Customer": person/company for whom FBR-ELPO S.p.A. makes or repairs the machine or the plant;
- d) "General Purchase Conditions": these conditions;

- e) “Contract”: the whole Order, the General Purchase Conditions and all documents listed which form part of them;
- f) “Supplier”: the company or the physical person who receives the Order from FBR-ELPO S.p.A. for the supply of Goods and/or Services;
- g) “Order”: defines obligations and rights between Purchaser and Supplier for the supply of goods and/or Services;
- h) “Productive Factory”: the Factory of FBR-ELPO S.p.A. or another place at disposal of FBR-ELPO S.p.A. recipient of the supply;
- i) “Purchasing Department”: (PD) the Purchasing Department of FBR-ELPO Productive Factory;

2.2. The references to the rules of each degree cited in these General Conditions of Purchase are effected according to the current texts at the moment of the application of the discipline.

3. PURCHASE ORDER AND IMPROVEMENT OF THE SUPPLY AGREEMENT

3.1. Further to the presentation of appropriate technical offer/quotation by the Supplier, FBR-ELPO’s Purchasing Department shall write a Purchase Order and send it by fax or e-mail to the Supplier. It will contain:

- Number of job order and/or reference project;
- Description of the goods and/or Services requested, making reference to annexes and technical documents;
- Date, delivery place and person/company to whom the delivery costs shall be charged;

FBR-ELPO’s Purchasing Department shall send, together with the order, the eventual technical documentation.

3.2. The Order shall be accepted by the Supplier within 07 (seven) days from the reported date and it shall be returned to FBR-ELPO’s Purchasing Department together with the technical documentation signed on each page. The contract is concluded at the moment of the receipt of the duly signed document.

3.3 However, if within 7 days from the receipt of the Order, the Supplier does not forward the signed documentation, the contract becomes likewise concluded when the seventh day expires.

3.4. The acceptance of the Order shall mean the complete waiver of the Supplier’s terms of sale, even if they are attached to the offer or the Order, unless otherwise agreed as particular conditions of the Order.

3.5. All the quantities, measures, types, prices or fees and indications of any kind of type introduced by the Supplier in the Offer, as well as all the technical and economic information acquired by the Supplier by written or orally during negotiations, shall let the parties a better understanding of the request and/or offer. The above mentioned information shall not be considered in any way as parameters or reference values for future and eventual replies or economic claims.

3.6. The Supplier acknowledges that the issue of the Order, as well as the eventual modifications, are in charge of the Purchasing Department. The Supplier shall neither conclude negotiations nor make commitments with people different from the above-mentioned department.

3.7. Whatever negotiation undertaken by the Supplier in breach of subsection 3.6 will be unenforceable to FBR-ELPO S.p.A; the eventual fees will be at the Supplier’s charge.

3.8. The Supplier is obliged to timely communicate all modifications of its own personal data, included the use to execute the Order with a fiscal position different from the one referred to the headquarter of the activity or communicated at the moment of the Order (stable organization in Italy).

3.9. The Supplier is exclusively responsible for the execution of the obligations according to the Italian Authorities connected to the direct or indirect presence and/or development of the activity in the Italian territory.

4. MODIFICATIONS TO THE ORDER AND THE SUPPLY

4.1. FBR-ELPO S.p.A. undertakes to make the necessary modifications to the content of the order.

5. SHIPMENT

5.1. The shipment of the goods subject of the supply will be carried out FCA FBR-ELPO S.p.A, at the Supplier's charge and under his responsibility (except different agreement which will be specifically indicated in the Order), in such a way as to guarantee the perfect integrity of the material and the full respect of the delivery terms indicated in the Order.

5.3. The shipment and transport risks shall be at the Supplier's charge, unless otherwise expressed. All the risks regarding wasting and damage of the goods and their property are transferred to the Purchaser at the moment of the goods' delivery.

5.2. The Supplier shall give notice of the shipment to the goods recipient's Factory. Each shipment shall be accompanied by a copy of the transport document complete with the Order references and the list of parcels with the list of materials and their relevant weights.

5.3. The additional charges that might result to FBR-ELPO S.p.A. due to the non-compliance to subsection 5.1. or due to mistakes or omissions on the documentation concerning shipment, shall be charged to the Supplier.

5.4. In case of early and non-authorized shipments by FBR-ELPO S.p.A, the charges of store and the ones necessary for the good keeping of the supply will be at the Supplier's charge, as well as the risk of wasting for reasons beyond FBR-ELPO S.p.A.

5.5 The delivery of the goods at FBR-ELPO S.p.A Factory shall be DDP (Incoterms 2010) for all goods coming from EU countries or even already released for free circulation in the EU and DDU (Incoterms 2010) for goods coming from non-EU countries or even subjected to Customs restrictions.

6. PLACE AND DELIVERY TERMS – PENALTIES

6.1. Unless otherwise established in the Order, the delivery of goods and/or the provision of Services, subject of the supply, shall be carried out at the Factory indicated in the Order.

6.2. The delivery terms, both final and partial, are essential, obligatory and binding for the Supplier, even if they are not expressly accepted.

6.3 The receipt date on the transport document will be taken as proof of the occurred delivery.

6.4 Early deliveries or provision of services that have not been programmed as well as partial deliveries and/or provisions that have not been agreed shall be excluded if they are not authorized in writing,

6.5. Whenever the Order provides for split deliveries, it is understood that the fulfillment derives from the complete execution of the order.

6.6. In case of delay in the delivery of goods with respect to the time limit agreed and indicated in the order, that is not justified by force majeure causes, unless otherwise indicated in the Order, there shall be a penalty equal to 5% of the value indicated in the Order for any week or fraction of week of delay up to a maximum of 20% of the total price. If the delay exceeds the fourth week with respect to the date fixed for the delivery, FBR-ELPO S.p.A. can terminate the contract, pursuant to the procedures set forth in subsections 19.2. and 19.3., and has the right of the acquisition of the penalties already matured and the eventual compensation for eventual suffered damages.

7. INSPECTIONS – CONTROLS ON THE SUPPLY

7.1. The Purchaser has the right to control the correct and exact execution of the supply, to verify the way of execution, the progress and the quality of the works.

7.2. For this purpose, the delegates of the Purchaser or the Customer shall be entitled to access, prior notice and during working hours, to the Supplier's factory and execute all the tests considered to be appropriate to check the correspondence to the provisions of the Order of the goods subject of the supply.

7.3. The shipping costs for the eventual tests shall be at the Supplier's charge.

7.4. Whenever the execution of the supply does not proceed pursuant to the terms established in the Contract, the Purchaser can set a time limit not fewer than 5 (five) days within which the Supplier is obliged to comply. Upon expiration of such a term, the Purchaser shall be entitled to intervene directly or through third parties, charging the Supplier with the related fees, or even, terminate the contract completely or partially. However, this is without prejudice to the Purchaser's right to suspend the payments pursuant to art. 1460 c.c.

8. ACCEPTANCE OF GOODS

8.1. The mere delivery of the Goods to the receiving staff does not mean the acceptance of the goods which will only be successful after verifying the compliance of what has been delivered with the order and the absence of defects.

8.2. FBR-ELPO S.p.A shall be entitled to report the Supplier, even after the receipt and regardless the eventual payment of the invoices, for the non-compliance of the delivered material or the presence of vices or defects regarding the order, according to art. 10. In such a case, the Supplier is obliged to replace the material with vices or non-compliant results in good time, considering the work programming requirements of FBR-ELPO S.p.A.

8.3. FBR-ELPO S.p.A will be entitled to accept the eventual surplus compared to the ordered amounts, for which FBR-ELPO will take no responsibility.

8.4. In case of refund of the goods, the relevant expenses will be charged to the Supplier.

8.5. Whenever the order stipulates that the goods shall be installed, assembled or even implemented, with the additional performance with respect to their availability, the delivery will be effected only upon completion of the installation, assembly or implementation.

9. TEST

9.1. The Supplier acknowledges that the goods subject of the order can be submitted to tests. The test, in charge of the Supplier, shall be performed by the entities indicated in the Order, in accordance with the rules laid down by such institutes, or even by inner organisms of the Supplier with the release of the relevant private certificate.

9.2. The Supplier shall be responsible for all the expenses concerning the tests due to eventual repetitions, in case they are to be repeated because of vices in the supply during the first test. In such a case, the Supplier shall be responsible for the remuneration of the entity named for the tests carried out at the Supplier's workshops and/or for the test at the factory of FBR-ELPO S.p.A.

9.3. FBR-ELPO S.p.A and the Customer's Officials shall be entitled to attend the tests, eventually entering the Supplier's workshops and factories.

9.4. The test shall be proved by the pertinent certificate which shall be sent to the factory which the supply is addressed to. In absence of it, the goods will be considered without essential quality for the use they are meant for, with the consequences of art. 1497 Civil Code.

10. WARRANTY AND RESPONSIBILITY FOR FAULTY PRODUCTS

10.1. The Supplier guarantees FBR-ELPO S.p.A the correct execution of the supply, according to the technical data and functioning and the quality of the employed materials, elaboration and functioning of each part and all the supply.

10.2. Such a warranty will be due 15 (fifteen) months after the delivery by FBR-ELPO S.p.A to the Customer the supply is addressed to (machine, plant or any other part)

10.3. As a result of the aforementioned warranty and further to the express request by FBR-ELPO SpA or the Customer, the Supplier shall be obliged to repair or replace as soon as possible and at his charge, at FBR-ELPO factory or elsewhere, any part of the supply which would have vices or dissimilarities, provided that they are reported within 60 (sixty) days from their occurrence.

10.4. The repaired or replaced parts shall be guaranteed, under the same conditions of the main supply, for a duration equal to the one stipulated in the contract and valid from the date the repaired and replaced part will be delivered.

10.5. Whenever the Supplier fails to eliminate the vices, FBR-ELPO S.p.A will be entitled, without prejudice to any other right, to do so either directly or by third parties, without further notice, by charging the costs to the Supplier.

10.6. If it is necessary to act urgently and before having denounced vices or dissimilarities, FBR-ELPO S.p.A shall have the same rights as the above mentioned ones.

10.7 The Supplier undertakes to hold the Buyer free of any request for compensation due to dissimilarities, non-compliance, non-reliability of the supply and also compensate the Buyer for eventual suffered damages.

11. SAFETY OF SUBSTANCES / PREPARATIONS / PRODUCTS/ MATERIALS

11.1. The Supplier guarantees FBR-ELPO S.p.A that the supplied materials comply with the safety rules of products, in particular as regards compliance with the provisions of the Legislative Decree no. 52 dd. 3rd February 1997 and subsequent amendments; Regulation (EC) N. 1907/2006 of the European Parliament and of the Council dd. 18th December 2006 as transposed by Legislative Decree n. 145 28th July 2008, and by Legislative Decree n. 133 dd. 14th September 2009; and to the provisions of Law n. 257 dd. 27th March 1992.

11.2. All substances, preparations, products and materials supplied by FBR-ELPO S.p.A which are classified as Dangerous Chemical Agents pursuant to Legislative Decree n.52 dd. 3rd February 1997, or Legislative Decree n.65 dd. 14th March 2003, or which even not being classified as dangerous can create a risk due to their physicochemical, chemical, chemical-technologic properties shall be accompanied with their Safety Data Sheet pursuant to the laws in force that indicate the main components of the substances or their products, their applications and the prevention regulations to be adopted.

11.3. In addition to the information included in the "Safety Data Sheet " in the technical documentation attached to the offer, the presence of preparations, products or materials containing substances belonging to the category of "Hazardous Chemicals" should be specifically highlighted."

11.4. The Safety Data Sheets shall be also sent in electronic form to the relevant office.

11.5. The removal of such products and their transport to authorized places shall be at the Supplier's charge and responsibilities.

11.6. If, for any reason and even at FBR-ELPO's request, the goods and materials being supplied were to be replaced or undergone changes to modify their "classification for the purpose of assessing occupational risks and for the environment, the Supplier would have to transmit an updated information sheet in advance.

11.7. The preparations as well as the products and materials ready for use included in the supply cannot be classified as "Dangerous Chemical Agents" with "Risk Phrases" R45 - R46 – R47 e R49.

12. PRICES

12.1. The prices indicated in the order are fixed and are not subject to any revision until the Contract is concluded, also in derogation from Art. 1467 c.c. They are inclusive of collection, shipment, transportation and packaging charges.

13. PAYMENT

13.1. Payments will be made by bank transfer at 120 (one hundred and twenty) days from invoice date end of month, upon presentation of the relevant invoice. Under no circumstances, FBR-ELPO S.p.a. will be responsible for any delays in the payments due to irregularities or delays in issuing or sending the invoice by the Supplier.

13.2. The Supplier undertakes to promptly notify its IBAN number, the bank details of the Institute to which he is engaged as well as to promptly notify any changes to it. Under no circumstances, the Supplier will complain about delays in payments if they depend on the lack or late indication of his bank details.

13.3. In any case, FBR-ELPO S.p.A will not recognize and will not execute payment orders for supplies that have not been ordered directly by the Purchasing Department.

14. INVOICING

14.1. The invoices shall be made out to:

FBR-ELPO S.p.A

Via A. Da Brescia, 12/A

43125 Parma (Italy).

14.2. The supplies or services performed by national operators or foreign operator through an Italian VAT position shall be invoiced indicating the applied VAT and shall be subjected to the stamp duty whenever necessary pursuant to the laws in force.

14.3. Suppliers or service providers having a Declaration of Intent are obliged to use it including the following words in the invoice: "Non-taxable transaction to VAT pursuant to art. 8-b, second paragraph, of D.P.R. , n. 633 26th October 1972" with the indication of the details of the Declaration of Intent, except that:

- Non-taxable VAT regime is applied pursuant to art. 8-b, first paragraph, or a different regime based on the applied regulation;
- otherwise stated in the order.

14.4. On each invoice and each transport document, besides the other data pursuant to law, the following information shall be reported:

- number of Purchase Order;
- A clear and comprehensible description of the goods being supplied with the insertion of our article code;
- Supplier's code (detectable on the first page of the Order);
- Transport Document with the code for expedition;

14.5. The Supplier is obliged to group the invoice of the different expeditions in a unique monthly invoice. As an exception and agreed upon with the Purchasing Department, it is possible to proceed with a maximum of two monthly invoices, each 15 days.

14.6. Any costs imputed to FBR-ELPO S.p.A due to errors or omissions on documentation submitted by the Supplier will be at the Supplier's charge.

14.7. In case of invoicing by a foreign Supplier, the invoices shall be accompanied with the Origin Certificate or EUR1 certificate.

15. WEIGHT

16.1. For materials billed on weight, the weight recorded on receipt at FBR-ELPO factory shall prevail for the purpose of the settlement of the price.

16. WORKS TO PERFORM AT FBR-ELPO FACTORY

16.1. Any Presence of the Supplier inside the Factory for installation, assistance, start-up, assembly etc, shall be ruled by the provisions included in the file "Rules for the companies which work inside FBR-ELPO Factory", which the Supplier shall sign before beginning the works.

16.2. In these cases, together with the invoice, the Supplier shall send copy of the updated tax compliance certificate (DURC) monthly.

17. CONTRACTUAL DOCUMENTATION

17.1. The Supplier acknowledges and agrees that FBR-ELPO S.p.A, also in relation to the nature and quality of its Customer or ordered goods, may request the production of technical or professional certificates certifying the particular suitability or qualifications of the Supplier.

18. EXPRESS RESOLUTORY CLAUSE

18.1. In case the Supplier performs, pursuant to art. 17, activities inside FBR-ELPO Factory, with consequent application of the provisions contained in the "Rules for companies operating at FBR-ELPO Factory", FBR-ELPO SpA reserves the right to resolve the contract in case of breach by the Supplier of the obligations under the following articles of the aforementioned "Standards".

- art. 3.1 and 3.3 (Communications concerning the Company's staff);
- art. 4 and 5 (Failure to comply with safety regulations, with particular reference to non-compliance with provisions contained in the Interference Risk Assessment Document (DUVRI).

18.2. FBR-ELPO S.p.A shall also exercise the same power in case of delays by the Supplier in the delivery of goods over four weeks, as provided for in art. 6.6 of these Conditions.

18.3. In order to declare the termination of the contract in the hypothesis that precede, ex art. 1456 cc., FBR ELPO S.p.A shall communicate the will to exercise the cause of resolution by means of a registered letter with acknowledge of receipt. The termination of the contract shall be effective from the receipt of the communication.

19. FINANCIAL GUARANTEES

19.1. The Supplier acknowledges that FBR-ELPO S.p.A will be able to ask for third parties' appropriate guarantees covering the eventual agreed downpayments, quality and functioning of the subject matter of the supply and the guarantee services the Supplier is due to.

20. CESSION OF THE ORDER AND CESSION OF CREDITS

20.1. The Supplier is not entitled to sell the Purchase Order, even partially, to third parties unless it is formally authorized in writing by the Buyer.

20.2. The Supplier is forbidden to sell, even in the context of a factoring contract, receivables accrued or due to the Order in respect of FBR-ELPO S.p.A.

Any exceptions to this prohibition must be agreed from time to time and approved in writing by FBR-ELPO S.p.A.

21. PROHIBITION OF PUBLICITY AND OBLIGATION OF CONFIDENTIALITY

21.1. The Supplier is forbidden to disclose any form of advertising referring to supplies made to FBR-ELPO S.p.A.

21.2. By way of derogation from this prohibition and at its sole discretion, FBR-ELPO S.p.A may authorize special forms of advertising to be carried out in the manner prescribed from time to time.

21.3. The Supplier undertakes not to communicate third parties technical and/or commercial information and / or data regarding the order before, during and after the execution of the supply.

22. PATENTS

22.1 The Supplier guarantees FBR-ELPO S.p.A that the goods supplied have not been and will not be produced in violation of any kind of rights and any person belonging to it. He also guarantees FBR-ELPO S.p.A the freedom and the license to use and trade the supplied goods, both in Italy and abroad.

23. CONTRACTUAL AMENDMENTS

23.1. Any modification to these General Conditions of Purchase, as well as to the special conditions of the Order, shall be valid provided that they are drawn up in writing signed by FBR-ELPO S.p.A and the Supplier.

24. D.LGS. n. 231/01

24.1 The supplier, as regards these general terms of purchase, declares that he is aware of the rules laid down in the Legislative Decree 231/01 and the provisions of the Code of Ethics and Model 231 adopted by the FBR-ELPO S.p.A.

24.2 In this respect, he undertakes to behave pursuant to the principles ruled by the above mentioned documents and not to expose the SELLER to the risk of penalties provided for in the above decree.

25. APPLICABLE LAW - JURISDICTION

25.1. These General Terms and Conditions of Purchase, as well as the special Conditions of the Order, are ruled by the Italian law, with the exception of any additional source not expressly referred to.

25.2. All disputes concerning the interpretation and / or performance of these General Terms of Purchase and individual orders, including those concerning the validity, existence and amount of credits to FBR-ELPO S.p.A, will be exclusively treated by the Parma Court.

26. PRIVACY

26.1 Pursuant to the General Data Protection Regulation of natural persons, art.13 Legislative Decree n.196 dd. 30.6.2003 and art. 13 EU Regulation n.2016/679, personal data which may be eventually acquired, is collected and processed by FBR-ELPO S.p.A as Personal Data Controller, for aims concerning the conclusion and management of the contract, for communication activities concerning services, or to comply with the obligations laid down by law.

26.2 Data shall not be disclosed unless otherwise provided for by law and shall be kept for all the duration of the contract and, after its conclusion, till legal limitation unless the business relations are renewed. The interested party is entitled to exercise its own rights at any time by sending a communication to: news@fbr-elpo.it. By signing up and/or accepting the present act, FBR-ELPO S.p.A is authorized to process personal data. The complete policy on data processing is available on the website: www.fbr-elpo.it.