



CPM GENERAL PURCHASING CONDITIONS

ART.1) CONTRACTUAL NORMS AND TERMS.

- 1.1) The present General Purchasing Conditions, apart from eventual exceptions explicitly agreed in written form, discipline all the actual and future relationships between the parts. Eventual General Conditions of the Supplier will not find any application in these relationships unless they are explicitly accepted by us in written form. Even in that case, apart from some explicit exceptions, they will in no way exclude the effectiveness of these general conditions and terms, with which they will have to be harmonized.
- 1.2) The adhesion to the present general conditions, as well as the drawing up of future contracts between the parts regulated by them, does not imply - unless differently agreed in written form - the attribution of any exclusive rights to the Supplier.

ART.2) CONTRACT REQUIREMENTS.

- 2.1) All obligations deriving from the present order will be binding for us provided that the Supplier accepts all our General Purchasing Conditions. To such an aim the acceptance of our General Purchasing Conditions received in former relationships between the parts will be considered valid.
- 2.2) Only written orders will be considered valid, including those sent by fax or by e-mail, assuming that all the CPM obligations indicated at paragraph 2.1) are observed. The order, even if sent by fax or e-mail, is to be considered completely accepted in each part by the supplier, unless the supplier informs in written form about eventual variations within 2 working days from its receipt. In any case the written acceptance of the order is a binding condition to allow the start of payment procedures.

ART.3) DELIVERY TERMS.

- 3.1) A fundamental requirement is that each single part of the system manufactured for our Final Customers is delivered to us within the agreed delivery terms in order to avoid delays during the assembly phase and the start of production and to avoid stocking problems. In case of missed observance of the agreed delivery terms:
 - a) if the delivery is anticipated with respect to the agreements, the terms of payment start invariably from the contractually fixed date;
 - b) where the delivery is delayed, the terms start from the new delivery date and the payment is put off further equivalent to the number of days of delay in the supply of the system by CPM to his Final Customers. Moreover the purchaser will apply a penalty of 0,3% of the total value of the supply volume for each consecutive day of delay with respect to the fixed term, up to a maximum of 5%.
- 3.2) It will be however faculty of CPM, if the delay in the delivery of the ordered piece exceeds 30 days, apart from expressly agreed exceptions and from force majeure events, to cancel the contract - unless the damage is reimbursed - and to address himself to a third party for the purchase of the same part as described in the Art.1516 C.C .
A guarantee against serious non-fulfilments by the supplier could be the suspension of payments not only concerning the current order but also referring to previous and overdue invoices. If the supply volume of an order is made up of many parts the invoicing procedure of the above-mentioned components can be made only after the order has been wholly carried out. All partial invoicing procedures must be prior authorized by us. In case of partial invoicing not authorized by CPM, payment terms will start from the complete accomplishment of the order's supply.

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- 3.3) If parts are delivered in excess with respect to the quantity indicated in the order, they are left at disposal of the supplier at CPM Headquarters to be picked up at the supplier's charge with 2 working days' notice. In case quantities delivered in excess cannot be returned either because they've already been delivered to the End Customer by CPM or because they're no longer traceable, CPM will not accept any charge for them.

ART.4) TRANSPORT.

Transport risks will be charged to the Supplier until the products, subject of the present order, are delivered to CPM or to the consignee indicated by CPM. Even if transport and packaging costs are not included in the supply volume, goods should always be prepared with accuracy by the Supplier.

ART.5) DEFECTIVE SUPPLY VOLUMES - GUARANTEE TERMS

- 5.1) If during the guarantee period of twenty four (24) months from consignment some defective parts are found out among the supplied components, they have to be claimed by CPM within 15 days from the discovery of the fault by fax, telegram or by e-mail, confirmed by a registered letter (even if received by the Supplier after the terms). It will be in the faculty of CPM to ask for the replacement or for the reparation of the defective component and/or to take steps directly in urgent cases if the Supplier is not able to give a prompt reply in this sense. In this case, the right of CPM to ask for the compensation of the damages caused by the late use of the defective product remains open, unless he returns to the supplier, on his explicit demand, the piece replaced.
- 5.2) In case of vices or defects in the supply, immediately individuated at the supplier's workshop or at CPM's " Check of materials" upon their arrival, CPM will care to inform the supplier about the nonconformity, and if necessary will bring corrective actions and charge borne expenses to the Supplier.

ART.6) PAYMENT TERMS.

- 6.1) Payments will be fixed according to the terms agreed, only upon invoice issuing, authorized by our internal procedures, in which are reported all the indications and the necessary information regarding the written order placed by the purchaser: if urgent supply volumes are requested before the order is placed in written form to the supplier, the supplier himself can ask the purchaser to supply him such information by fax or by e-mail.
- 6.2) The purchaser has the right to keep 10% of the invoice's amount until problems found out in the supply volume are solved.
- 6.3) No automatic procedures of credit transfer to third parts are allowed. They could be put into practice only upon written approval by CPM.

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ART.7) SAMPLES, DRAWINGS AND TECHNICAL DOCUMENTATION.

Eventual samples and models regarding the manufacturing of components ordered by us, and relative drawings made according to our instructions or of CPM's property that are made available to the supplier, can in no way be re-used by the supplier for personal purposes or made accessible to third parts. In fact they should be returned immediately after the execution of the order even without an explicit request by CPM. The violation of these terms gives CPM the right to ask for the damages' reimbursement, and the right for the transfer in his favour of the eventual benefits obtained by the supplier.

CPM could also ask for the supplier's written acceptance of the CPM Confidential Agreement.

ART.8) CONFIDENTIALITY AND EXCLUSIVITY OBLIGATION

In order to ensure adherence to the confidentiality and exclusivity protocols held by CPM, the Supplier is required to sign the document called "Confidentiality and exclusivity obligation" attached to the present purchase order as an integral and binding part.

The non-compliance with this document will cause the cancellation of the contract and the consequent obligation to reimburse all directly or indirectly related damages, in addition to the consequences intended by the contract.

In any case the signature for acceptance on the purchase order automatically implies the acknowledgment and the complete acceptance of the Confidentiality and exclusivity obligation in full.

ART.9) MANUFACTURER'S RESPONSIBILITY FOR DAMAGES CAUSED TO THIRD PART THAT PURCHASED THE SYSTEM SUPPLIED.

The supplier exempts CPM from all the damages caused to persons or things originated by the components delivered and installed by him, including direct or consequent damages, losses of productions and no profits recognized by the damaged third part.

ART.10) CLAUSES VALIDITY.

If single clauses of these purchasing conditions are considered not valid or ineffective, all the contracts stipulated on their base will have to be re-integrated and interpreted as if they contained all the clauses, which allow to reach in the full respect of the law the essential goal of the agreement referring to the abovementioned clauses.

ART.11) "SILICONE-FREE".

Unless differently agreed, the supplier commits himself to deliver SILICONE-FREE components and supply volumes.

ART.12) OBSERVANCE OF NORMS, LAWS AND REGULATIONS.

12.1) The supplier engages to observe all the general or exceptional laws, decrees, regulations and norms related to technical, administrative, insurance, social or fiscal questions or correlated to the activity of the order. In case of activities to be carried out at CPM's customers, the supplier engages to respect and observe all the rules and norms established inside the property of the Final Customer.

12.2) The supplier engages to observe all the norms and prescriptions of the collective contracts, of the laws and the rules about workers' protections and assistance, undertaking all the possible responsibilities due to their non-observance and exempting CPM from any responsibility. (See also the CPM Enclosures "A" and "B" for the activities on site)

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- 12.3) Furthermore the supplier declares to comply for his personnel with the payment of all insurance and social-security contributes for the different institutes (NATIONAL SOCIAL INSURANCE AGENCY, INAIL etc.)
- 12.4) Where and when applicable, the supplier will have to respect the CE Norm 2006/42/CE and issue the related Declaration and documentation. Moreover the Supplier will have to deliver to CPM a copy of the Technical Folder foreseen by the above mentioned norms. The original version of the Technical Folder can remain at Supplier offices, but on the CE Declaration, the Supplier will have to indicate the responsible person for the Technical Folder, as requested by the CE Norm 2006/42/CE

ART 13) CODE OF CONDUCT AND PRINCIPAL ORGANIZATIONAL MODEL.

The Contractor is aware that the Principal is operating its business activities in accordance with an Organization and Control Model, issued in accordance with the Italian Legislation, and a Code of Conduct, common and applicable by all the companies of the Group to which the Principal belongs, the main scope of which is to prevent any criminal or non-ethical behaviour and agree to comply with any and all the provisions of such Organization and Control Model and Code of Conduct.

About this matter, CPM have adopted a Control and Organization Model (MOG), compliant with standards of DLgs 231/2001, that can be consulted upon appointment at our offices or read by the link in our on line website.

ART 14) COMPETENCE IN CASE OF CONTROVERSY.

Possible controversies regarding the agreements stipulated between the parts are regulated by the law of the Italian Republic, and the competent Law Court is the one of Turin. In any case it will be faculty of CPM to act near the Law Court of the supplier. For any controversy, unless specifically agreed, the official language for legal documents is Italian.

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