

GENERAL TERMS AND CONDITIONS OF PURCHASE**1. GENERAL CONDITIONS**

1. The present General Terms and Conditions apply, without reserve, to any purchase order made by GF Precicast S.A. (hereinafter referred to as "GF Precicast"), respectively to any offer made by the Supplier to the extent explicitly accepted by Precicast. Any additional and/or supplemental clauses to the present conditions, in particular those making an exception to them, need to be agreed upon in writing and must necessarily be signed by both Parties, otherwise they shall not be binding for GF Precicast. Any General Sales Conditions of the Supplier are explicitly rejected.
2. In case of discrepancies between the versions of these general terms and conditions in different languages and the English one, the latter shall prevail.

2. CONCLUSION OF THE CONTRACT

- 2.1. The contract of purchase shall be deemed to have been entered into either (i) if the Supplier has agreed in writing upon the order of GF Precicast (hereinafter, the "Order"); or (ii) with the beginning of the Order fulfillment by the Supplier; or (iii) with the written acceptance of the Supplier's offer (hereinafter, the "Offer") by GF Precicast (the latter so becoming the "Accepted Offer"). Apart from the Order and the Accepted Offer, the following items are part of the supply agreement: any drawings, designs, models, specifications, any applicable rules and charts, any samples and other technical description, as well as any other attachment mentioned therein (hereinafter collectively referred to as the "Specifications").
- 2.2. Should GF Precicast determine a deadline for the receipt of the confirmation of its Order and should such deadline expire without GF Precicast having received such confirmation, the Order will automatically become void without any consequences for GF Precicast. GF Precicast reserves the right to fix another deadline, even later on.
- 2.3. GF Precicast shall under no circumstances be bound by the Offer, to the extent it has not been accepted; in particular GF Precicast shall have the right to either reject or to freely modify the terms of the Offer.

3. MODIFICATIONS TO THE SUPPLY AGREEMENT AND WITHDRAWAL FROM IT

- 3.1. GF Precicast has the right to modify and/or amend the supply agreement, modifying consequently at the same time the Specifications, especially if the particularity of the product supplied according to the Specifications should require it. GF Precicast shall inform the Supplier thereof in writing and in detail, supplying him with any data relating to the consequences of such modifications and/or amendments.
- 3.2. The Supplier shall inform GF Precicast in writing, within 5 (five) working days from the notification, about the additional costs of such modifications and/or amendments. In case of no communication of the additional costs, the agreed price shall apply. Possible supplementary costs communicated within the term indicated here above and accepted by GF Precicast shall be borne by GF Precicast; in any other case they shall be borne by the Supplier.
- 3.3. Should GF Precicast have any reasonable doubt on the Supplier's capacity to timely and correctly fulfil the contractual obligations (namely of delivery, of quality, of quantity), GF Precicast shall have the right to indicate such doubts to the Supplier, who shall provide GF Precicast within 10 (ten) day with due guarantees. In case the Supplier has not provided appropriate guarantees, GF Precicast shall have the right to refuse the delivery and to withdraw from the Agreement with immediate effect by simple written notice to the Supplier without any responsibility or liability. The right of GF Precicast to claim damages shall remain reserved.

4. TERMS OF DELIVERY AND DELAYS

- 4.1. The term of delivery indicated either in the Order or in the Accepted Offer is compulsory.
- 4.2. Unless differently agreed in writing, partial deliveries or deliveries occurred before the agreed term shall be excluded. Should these cases occur, GF Precicast shall have the right to refuse acceptance of the delivered products, respectively to accept it by charging to the Supplier all costs caused by the partial delivery or the delivery before term (including without limitation the costs for storage, insurance, handling etc.). With respect to the passage of risks of the products the provisions of clause 6.3. shall apply.
- 4.3. The Supplier shall immediately inform GF Precicast in writing about possible delivery delays, indicating the causes and the extension thereof, the consequences on other deliveries, the measures which the Supplier intends to apply to limit the effects of the delivery delay and any other important information.
- 4.4. The supplier shall also inform GF Precicast about the end of the delivery delay.
- 4.5. The term of delivery shall exceptionally be extended in case of events which does not allow the regular execution of the deliveries and which fall outside the control of the Supplier, such as epidemics, mobilisation, wars, riots, strikes, boycotts, picketing, lock-outs, breakdowns, accidents, important labour conflicts, measures or provisions of authorities, cataclysm (hereinafter "Force Majeure Reasons"), provided the Supplier has fulfilled clause 4.2. and provided the Supplier undertakes everything in his possibilities to comply with the originally agreed term and to reduce to the minimum the consequences of the delay. Generally in such cases the term of delivery shall be extended for a period of time equivalent to the time the Supplier shall be disabled to execute his obligations. Clause 5.1. shall be reserved.
- 4.6. In the event GF Precicast has modified the Supply Agreement pursuant to clauses 3.1. and 3.2., the term of delivery shall be extended consequently.

5. CONSEQUENCES OF DELIVERY DELAYS

- 5.1. If Force Majeure Reasons according to the precedent clause 4.2. do not allow to the Supplier to fulfil his obligations for a period of time exceeding 45 working days, or in case of an arisen impossibility to fulfil, then GF Precicast shall have the right to withdraw from the supply agreement with immediate effect with simple written notice to the Supplier, without any responsibility and liability for GF Precicast. The Supplier shall immediately return any received advance, down or partial payment. Clause 5.2. shall be reserved.
- 5.2. Without prejudice to clause 4.5., in case of delivery delay GF Precicast shall have the right to an amount equal to 3% of the value of the non delivered products for any week of delay, up to a maximum of 18% of the total value of the non delivered products. **GF Precicast shall further have the right to claim for any direct or indirect damage exceeding that sum and in particular to claim for the reimbursement of any damage which it should be called to reimburse to its final customer.**

6. PLACE OF FULFILMENT, PASSAGE OF RISKS AND TRANSFER OF PROPERTY

- 6.1. Save as otherwise indicated in writing, the delivered products are considered Delivered Duty Unpaid (DDU, Incoterms 2000), namely delivered cleared through customs for exportation to the country of destination indicated in the Order or in the Accepted Offer.
- 6.2. The risks shall pass in the place and at the time of the delivery agreed by the Parties.
- 6.3. Should the delivery terms not be complied with, the respective costs and risks shall be borne by the Supplier from the originally agreed time on.
- 6.4. All costs concerning the unloading and all custom operations for importation shall be borne by GF Precicast, if not specified otherwise in the Order or in the Accepted Offer.
- 6.5. Without prejudice to clause 4.3., unless differently indicated in the Order or agreed with GF Precicast, the Supplier shall use the most economical carriage (and shipping) system. Should the Parties have agreed that the carriage costs are borne by the Supplier, the latter shall be entitled to use of the carriage system it deems more appropriate.
- 6.6. With the taking delivery of the products GF Precicast shall become their legitimate owner.

7. QUANTITY BEARING

- 7.1. The taking delivery of the ordered products shall not constitute approval of the quantity even without explicit reserve. GF Precicast shall only be required to accept the quantities ordered. In case of partial deliveries clause 4.2. shall apply.
- 7.2. Any quantity allowances must in any case be expressly agreed in writing.

8. QUALITY AND DEFECTS OF THE PRODUCT

- 8.1. Any quality guidelines issued by GF Precicast from time to time shall form an integrant part of the present General Terms and Conditions of Purchase.
- 8.2. The taking delivery of the ordered products shall not constitute approval of the quality even without explicit reserve.
- 8.3. GF Precicast has the right, upon agreement with the Supplier about time and manner, to send his representatives to the Supplier's plants and/or to that of its sub suppliers to verify the manufacture process of the products and/or of their parts, before shipping. For such purpose GF Precicast may use, to the extent it is necessary, check and test tools belonging to the Supplier. Either the exercise, or the late exercise, or the failure to exercise this right by GF Precicast does neither constitute a waiver of it nor does it modify the legal position of GF Precicast in case of a successive violation by the Supplier of his obligations, in particular as far as warranty is concerned.
- 8.4. The denunciation of quality and/or of defects of the delivered products may be made by GF Precicast any time within 1 (one) year from the delivery of the products to the final customer, regardless whether the relevant invoice has already been paid and also whether the products have meanwhile been handled and assembled into other products. Hidden defects may be denounced within 5 (five) years from the delivery of the products to the final customer, even if handled and assembled into other products, or, if the goods are still in the warehouse of GF Precicast, within 5 (five) years from delivery to GF Precicast.

8.5. **Should GF Precicast final customer require a warranty for a longer period than the one mentioned here above, the Supplier shall guarantee to GF Precicast an equivalent period, provided the latter has previously indicated such extended period in the Order or in the Offer request or in the respective Offer Acceptance.**

9. WARRANTY

9.1. The Supplier warrants the constant quality of the materials and the constant quality and conformity of the purchased products with the ordered products, namely the conformity of the products to the Specifications. The Supplier shall also warrant that the materials and the purchased products are of a suitable quality, compliant to GF Precicast technical requirements as well as to any other technical requirements applying. The Supplier warrants the fitness of the Products for the purpose indicated by GF Precicast and the suitability to the materials.

9.2. The Supplier warrants in particular:

- that the products are free from defects in the quality of the materials used and from manufacturing defects;
- proper performance of the delivered products;
- that the materials used and the products delivered fully comply with the homologation and normalization specifications foreseen by any applicable provisions, as mentioned in the Order, in the Offer or in the acceptance thereof: the Supplier shall provide for these homologations at its own costs.

9.3. During the period of warranty the Supplier shall immediately eliminate the defects or replace the faulty delivery, free of charge, according to the unquestionable request of GF Precicast.

9.4. Notwithstanding the above, should the elimination of the defects, respectively the replacement of the faulty delivery not be possible, or should the Supplier not be able to manage them, GF Precicast has the right to claim from the Supplier the reimbursement of any costs incurred for the elimination of the defects and/or for the replacement of the faulty delivery.

9.5. The right of GF Precicast to withdraw from the supply agreement and to claim reimbursement of any direct and indirect damages shall be reserved.

9.6. The warranty granted by the Supplier according to clauses 9.1 and 9.5 shall also apply to any raw materials, semi finished or finished products, which should be delivered by third parties.

9.7. **Should GF Precicast final customer require an extended warranty with respect to the one mentioned here above, the Supplier shall guarantee to GF Precicast equivalent conditions, provided the latter has previously indicated such extended warranty conditions in the Order or in the Offer request or in the respective Offer Acceptance.**

9.8. **GF Precicast shall have the right to assign the warranty of the Supplier according to the clauses 9.1 and 9.6. and the rights arising thereof to its final customers.**

10. INVOICES, DELIVERY NOTES

10.1. The invoices shall indicate:

1. the order number;
2. the position number of the order;
3. a reference to the number of the delivery note;
4. the product code used by GF Precicast;
5. any possible other description;
6. quantity;
7. price per unit;
8. term of payment;
9. indication whether it is a partial or a complete delivery.

10.2. The delivery notes shall indicate:

1. the order number;
2. the position number of the order;
3. the product code used by GF Precicast;
4. any possible description;
5. the delivered quantity;
6. the indication whether it is a partial or a complete delivery;
7. the number / weight of the packages;
8. any other information and/or declaration expressly requested by GF Precicast on the Order or the Offer acceptance.

11. PAYMENT

11.1. The conditions of payment indicated in the Order or in the Accepted Offer shall apply.

In the absence of a specific agreement, GF Precicast shall pay at the end of the second month following the month of the invoicing or the month of delivery of the products, the latest thereof to be applied.

The existence of claims or objections with the Supplier with respect to the concerned delivery may cause the suspension of the payment thereof until the controversy is solved.

11.2. It is expressly prohibited to the Supplier to issue drafts for the payment of invoices. In any case they will not be accepted and the Supplier shall be considered responsible for all damages connected herewith.

11.3. The payments expiring the end of August may be postponed to the end of September.

11.4. It is expressly agreed that the credits deriving from the delivery cannot be transferred and/or be delegated under any form.

12. MATERIAL TO BE MANUFACTURED

12.1. GF Precicast has at any time the right to ask for the documentation certifying the quality of the raw material directly or indirectly delivered by the Supplier.

12.2. Should any raw materials be supplied by third parties on behalf of the Supplier, the latter shall verify the suitability thereof for the prospected use.

13. SPECIFICATIONS AND SPECIAL TOOLS

13.1. The Specifications and the special tools which GF Precicast shall put at the disposal of the Supplier shall remain the property of GF Precicast and may only be used for the execution of the delivery. Similarly to it, all know-how of GF Precicast pertaining and relating to the delivery remains the exclusive property of GF Precicast and may only be used to the extent it is necessary for the execution of the delivery.

The Specifications may neither be copied nor reproduced, neither transmitted nor made accessible, even partially, to third parties, nor used for deliveries to third parties without previous written authorization of GF Precicast.

13.2. The Supplier shall examine such documents and/or tools and state their appropriateness for the fulfillment of the Order. The Supplier shall further suggest possible modifications in order to improve the quality and/or to reduce the costs of the products, and shall also indicate any modification requested by legal dispositions.

13.3. The Supplier shall take care of any tools belonging to GF Precicast with the utmost diligence; if appropriate or if requested by GF Precicast, the Supplier shall register them as property of GF Precicast and shall timely inform GF Precicast of any enforcement or judicial procedure started by third parties against it.

13.4. The Supplier shall allow GF Precicast to inspect at any time the premises and the goods used for the execution of the supply agreement and to verify the respect of the aforementioned provisions. This right has to be extended to the customers of GF Precicast which ask for it. Either the exercise, or the late exercise, or the failure to exercise this right by GF Precicast and its customers does neither constitute a waiver of it, nor shall modify the legal position of GF Precicast and its customers and/or the Supplier's responsibility in case of a successive violation of its obligations by the Supplier.

13.5. These Specifications and tools which GF Precicast shall put at the disposal of the Supplier shall be returned to GF Precicast at its first request, save in case GF Precicast has authorized their destruction or scrapping.

14. DOCUMENTATION

All documents, certifications, possible declarations requested by the Order or mentioned by the Specifications are integrant part of the respective delivery. Their missing or non conformity may be sanctioned with the non acceptance of the delivered products and/or to the payment refusal according to clauses 8 and 9.

15. PACKING

15.1. The Supplier shall provide for appropriate packing of the delivered products as indicated in the Order, within the Specifications or agreed in writing between the Parties. In case of failure of specific indications or agreement, the packing shall be carried out according to the best technology generally available for the type of the product.

15.2. The packing shall further guarantee the safety of the persons charged with the loading and unloading.

15.3. The Supplier shall fully be responsible for any damages to the delivered products and/or to the persons caused by inappropriate packing. The Supplier shall be liable for the replacing of the damaged delivery and for the reimbursement of any consequence arising thereof.

16. RESPONSIBILITY: INSURANCE

16.1. **The responsibility of the Supplier is equivalent to the responsibility of GF Precicast towards the final client for any direct and/or indirect damage of third parties.**

16.2. The documentation, the tools and possible material supplied by GF Precicast as well as the products of any single delivery are under the responsibility of the Supplier until the transfer of the risks. The Supplier shall provide for convenient insurance against destruction, deterioration, theft or losses of any kind. Upon request of GF Precicast the Supplier shall deliver a copy of the respective insurance policy.

16.3. The Supplier shall also stipulate a third party insurance whose coverage amount shall be agreed with GF Precicast. Upon request of GF Precicast, the Supplier shall deliver a copy of the respective insurance policy.

17. APPLICABLE LAW, JURISDICTION

Exclusive jurisdiction: District Court of Mendrisio-Sud (Switzerland).

Applicable law: The Agreement shall exclusively be governed by the laws of Switzerland. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are excluded.

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