

Sede amm.va e stab.: Via Alessandria 1
I-20010 Canegrate (MI)
Tel. 0039 0331550811
Fax 0039 0331550813

Stabilimento: Via Spluga 5
I-20010 Canegrate (MI)

Stabilimento: Via Vercelli 9A
I-20010 Canegrate (MI)

www.cavesrl.com
info@cavesrl.com



OBJECT: GENERAL TERMS AND CONDITIONS OF PURCHASE 09.002
(rev. 13/04/13)

1. DEFINITIONS

In these general terms and conditions of purchase, the words below have the following meaning:

CAVE means CAVE S.R.L

PRODUCT/S means any product and/or service delivered by the Supplier to CAVE

SUPPLIER means the company receiving the orders

ORDER means the purchase order.

2. FOREWORD

2.1. The following General Terms and Conditions of Purchase regulate the relationships between CAVE and the Supplier.

The Supplier declares to completely accept these conditions and it waives any personal General Sale Conditions, if any. Any Supplier's General Sale Conditions shall constitute a counter-proposal according to **art. 1326 of the Italian Civil Code**, providing these are expressly accepted in writing by CAVE.

Acceptance by CAVE of any supply shall in no case be interpreted as an act of "beginning of performance of the contract" pursuant to the **art. 1327 of the Italian Civil Code**

2.2. If the Order or the Supply Contract do not indicate any price, the price of the products and/or services will be the lowest one applied by the Supplier to its Customers for similar products and/or services. In any case, the Supplier shall not deliver any material before having agreed and formalized the price with CAVE: Failure to comply with this clause shall allow CAVE to apply penalties as per clause 7.3 of these general terms and conditions of purchase.

2.3. Unless otherwise specified in the Order, payment terms shall be 120 days from the date of receipt of the invoice by bank transfer.

2.4. The Supplier will promptly send the invoices for supplies/services to CAVE. If said invoices arrive after the week following the end of the month to which they relate, CAVE will delay for 30 days the payment of those invoices.

2.5. The Supplier undertakes not to transfer its credits to others, unless specifically authorized by CAVE.

2.6. The supply of goods or services contained in the purchase order cannot be subcontracted, neither partially nor completely, without prior written consent of CAVE. Agreements between the Supplier and third parties regarding subcontracting of goods or services, in violation of what above mentioned, shall be null and void and CAVE reserves the right to request the reimbursement of damages occurred, if any.

2.7. Starting from the date of acquisition of the purchase order and until its fulfillment, the personnel of CAVE, its representatives and those of the final customer will have free access to the Supplier's offices and plants as well as to those of subcontractors, if any, to check the compliance of the supply to the contract conditions and to perform audits of systems and/or processes. Cave will previously contact the Supplier to agree a date of the visit.

3. CHANGES AND UPDATES

During the supply, CAVE shall be entitled to ask the Supplier to change or update the Products, and the Supplier hereby undertakes to perform those changes and updates within the times agreed with CAVE, with prior written consent of CAVE regarding economic aspects.

4. TERMS OF DELIVERY

The terms of delivery agreed with the Supplier shall always be deemed final and binding. Therefore, no delays or early deliveries shall be allowed without prior written consent from CAVE. CAVE shall therefore be authorized, in case of delayed deliveries, not due to force majeure, to:

a) Demand for immediate execution of the order

b) Purchase elsewhere the Products, partially or globally, at the expense and risk of the Supplier, with the sole requirement that notice shall be given to him

c) Terminate the contract immediately by means of simple written notification, according to the **art. 1456 of the Italian Civil Code**

Sede amm.va e stab.: Via Alessandria 1
I-20010 Canegrate (MI)
Tel. 0039 0331550811
Fax 0039 0331550813

Stabilimento: Via Spluga 5
I-20010 Canegrate (MI)

Stabilimento: Via Vercelli 9A
I-20010 Canegrate (MI)

www.cavesrl.com
info@cavesrl.com



In any event, Cave reserves the right to charge the Supplier 2 % of the total value of the ordered and not or not completely delivered Products, every 5 working days of delay. In any case, the maximum amount of debits, which may be applied at every single delay, shall not exceed 10% of the total order value, related to the total quantity of not delivered or partially delivered Products. CAVE shall be entitled to apply this clause without prior notice and in a summary form at the end of the year. Those amounts represent a damage estimate, as previously and mutually agreed by the parties. This does not exclude the right of CAVE to request the reimbursement of every major damage. If the delay exceeds 30 days, CAVE might terminate the contract and enforce the guarantee without prejudice of the right to compensation for any damages incurred. It is furthermore understood that CAVE might enforce the portion of the guarantee related to the anticipation for that part of material which has not yet been positively tested.

5. MODES OF DELIVERY

5.1. The Supplier is responsible for adequate packaging and labeling of the goods. The Supplier shall comply with the shipping instructions as stated in the Order. Unless otherwise stated in the Order, the shipping and packaging costs shall be at the Supplier's expense. CAVE shall not reimburse the Supplier for any additional shipping cost, unless previously agreed and authorized in writing by CAVE.

5.2. The delivered products shall comply with the following:

5.2.0) the parts subcontracted by CAVE to Suppliers shall be identified with a punched Serial Number and perfectly traced. If the punching gets damaged during machining, the Supplier shall restore it and record it on the working documents, which constitute an integral part of the order (fabrication plan, technical data sheets and control plan from CAVE or from the customer). If the Supplier does not meet this provision, he shall be required to replenish the material.

5.2.1) the parts shall be identified with the code and the description stated in the order (Drawing and Job Number), identification with label or marking (even with permanent marker);

5.2.2) they shall be separated according to the part code and destination;

5.2.3) they shall be protected to avoid damages during transport or conveyance either within or outside the premises, accordingly to the packaging instructions stated in the Order or in the enclosures;

5.2.4) the parts shall be delivered in a way to grant the inspection on arrival and subsequent quality control.

5.2.5) the parts shall be perfectly DEBURRED, to avoid injuries to the operator while handling and/or testing them. In any case, all required functional deburring and adjusting operations shall be carried out.

5.3. The shipping documents and invoices shall indicate all the following data: CAVE purchaser order number, CAVE job number, CAVE material code with relevant supplied quantity. If the Supplier does not comply with said clause, CAVE will have the right to reject the goods.

5.4 The material shall be delivered together with the certificates and/or the documents required when placing the order. The documents shall be put in an envelope addressed to the attention of the Quality Manager of Cave.

5.4.1) The Supplier knows and accepts with the purchase order that he shall supply the material together with all certificates and/or other required documents and that this condition is accepted as a integral and fundamental part of the supply to all effects and purposes. Therefore, failure to supply the certification/documentation to Cave (i.e. not sent together with the material, imprecise and/or incomplete) shall constitute a serious breach, resulting in a non-expedited order in the full sense of the term; Cave shall be thus entitled to calculate the payment term starting from the date of receipt of the exact and complete certification/documentation.

5.4.2) Unless otherwise communicated to CAVE, the required certificates and/or documents shall be issued in A4 format and in a form which allows a precise optical reading, a precise scanning and a precise printing on paper.

5.5 The transfer of ownership of the material will take place at the final destination at CAVE. The receipt of the material at the final destination at CAVE warehouse will be the condition for the payment of the Supplier's invoices. The transfer of ownership of services will take place at the moment when the services are carried out.

6. PRODUCT LIABILITY

6.1. GENERAL RULES

Unless otherwise mentioned in the lines of the purchase order, of this document or of the enclosures (drawings and/or specifications), the material/machining delivered to CAVE or to companies indicated by CAVE, shall COMPLY with the applicable specifications as stated by following normative documents in the last issued revision,

Sede amm.va e stab.: Via Alessandria 1
I-20010 Canegrate (MI)
Tel. 0039 0331550811
Fax 0039 0331550813

Stabilimento: Via Spluga 5
I-20010 Canegrate (MI)

Stabilimento: Via Vercelli 9A
I-20010 Canegrate (MI)

www.cavesrl.com
info@cavesrl.com



which are obligatory inside the European Union: Directive 2000/53/CE. CAVE reserves the right to ask for conformity certificates of the supplied material and/or for copies of certifications issued by approved bodies that attest the adequacy to the a.m. specifications of the delivered Products.

6.2. CONFORMITY OF QUANTITY

The Supplier guarantees that the quantity of Products supplied is in conformity with the agreements and with what declared in the shipping note.

Should the quantity of Products do not comply with the agreements or with what declared in the shipping note, CAVE expressly reserves the right to exercise one of the following options:

- a) to accept the difference of quantity with the power to accordingly modify the quantities of future deliveries, if any.
- b) to reject the exceeding part of the supply, with the power, if the Supplier does not immediately withdraw the exceeding goods, to send back the exceeding quantity of goods at Supplier's risks and expense or to charge him the storage costs.
- c) Save the provisions of Paragraph 6, to require the Supplier to immediately deliver the missing Products, it being understood that all major expenses or charges shall be borne by the Supplier. In this case, the Supplier undertakes to immediately deliver the missing Products.

6.3. DIFECTIVE PRODUCTS

The Supplier undertakes all the necessary steps to ensure that the Products comply with the quality requirements, as indicated in the drawings and technical documents enclosed to the purchase orders which must be considered entirely as integral part of these General Terms and Conditions of Purchase. The Supplier ensures that the supplied Products are free from faults and defects and that they comply with the functional specifications already agreed and with the applicable legal and obligatory regulations.

6.4. NON-CONFORMITY - QUALITY

The non-conformity reports sent to the Supplier may generate one of the following cases:

- 1) the whole lot or part of it will be rejected and the Supplier will be charged the corresponding amount;
- 2) the whole lot or part of it will be rejected and the Supplier will be asked to repair it within a certain period of time, compatibly with the production requirements;
- 3) CAVE will charge the Supplier the costs occurred for selections, repairs, scrapping, production shutdown and administrative expenses which were made necessary to solve the non-conformity.

The Supplier shall ensure the replacement of non-conforming goods within a period of time which does not pose a economic threat to CAVE; this period of time will be fixed each time by CAVE and indicated in calendar days. Failure to comply with this clause may result in the application of the penalties for late delivery, as mentioned at Par. 4 of these General Terms and Conditions of Purchase. CAVE may return to the Supplier faulty or exceeding goods at his expense. The payment of the goods shall not be deemed as acceptance of the products and/or service and shall not prevent CAVE to check the supply or to require remaking or repair. The term for submitting a complaint for fault parts or parts not complying with the specifications shall be 24 months, according to art. No.

1495 of the Civil Code.

6.5. The Supplier warrants that the Products are free from manufacturing defects, both machining or material defects, for a period of 24 months starting from the delivery date, unless otherwise agreed among the Parties.

7. CIVIL LIABILITY

If during the use of any parts, on which CAVE has directly or indirectly assembled a product supplied by the Supplier, an accident occurs causing damages to objects or people, it's understood from the very beginning that, if the accident is caused by a defective product, the Supplier shall hold CAVE free and harmless of any claim and/or legal action from third parties as well as from any expenses or charges which CAVE should incur in conjunction with and as a consequence of these actions and/or claims

8. CASES OF FORCE MAJEURE

The Supplier is not held responsible for any delays in supplies if the delay is really and solely caused by natural disasters, mobilizations, revolts, National strikes (if not previously announced or foreseeable by the Supplier), fire or other unforeseeable event and completely out of the Supplier's control. In such cases, the Supplier shall immediately inform CAVE and communicate the remedial measures adopted or envisaged to solve these problems. In any case, the parties agree that delay or failure in performance of subcontractors, if any, shall not be considered as events of Force Majeure, provided that these have not been caused by the a.m. events of Force Majeure.

Sede amm.va e stab.: Via Alessandria 1
I-20010 Canegrate (MI)
Tel. 0039 0331550811
Fax 0039 0331550813

Stabilimento: Via Spluga 5
I-20010 Canegrate (MI)

Stabilimento: Via Vercelli 9A
I-20010 Canegrate (MI)

www.cavesrl.com
info@cavesrl.com



9. LEGISLATIVE RULES

If the Product is subject to Italian and/or foreign legislative requirements (covering safety, pollution etc.), the Supplier is bound to prepare specific documentation regarding the type approval and production processes which shows inter alia how the characteristics concerned have been tested, by whom and the results. This documentation shall be retained by the Supplier and shall be delivered to CAVE upon request by the latter. The Supplier shall impose similar obligations on its own suppliers.

10. TOOLS AND EQUIPMENTS

10.1. TOOLS AND EQUIPMENTS OWNED BY CAVE

All tools and equipments owned by CAVE and made available by it to the Supplier to be used for the manufacture of a Product, shall be marked. The use of these tools and equipments shall be allowed to the Supplier by CAVE under a free loan agreement. Therefore, no remuneration or economic right will be charged to the Supplier for this reason. The Supplier shall use the tools and equipments owned by CAVE only to manufacture the Products. Any other use of these tools and equipments is absolutely forbidden. In case of breach of this obligation by the Supplier, CAVE reserves the right to charge for all direct and indirect damages deriving from such improper use.

Tools and equipments shall be returned at simple request from CAVE, in any moment and without any justification. The Supplier shall carry out routine maintenance work of tools and equipments owned by CAVE and in no case and for no reason can tamper or modify them, except to take actions aimed to improve the Process/Product, which shall be carried out after written approval from CAVE.

10.2. TOOLS AND EQUIPMENTS OWNED BY THE SUPPLIER.

If the tools and equipments used by the Supplier to manufacture the Products are exclusively owned by him, CAVE reserves the right, on termination for whatever reason of the supply contract, to pay a price equal to the residual amortization of these tools and equipments, thus acquiring ownership of them.

11. INDUSTRIAL PROPERTY

The Supplier warrants that:

- Products and/or services subject of the present agreement do not breach any patent, trademark, license, model or industrial drawing, copyright or any other third party intellectual and industrial property
- Products shall not contain or shall not be manufactured with substances which deplete the ozone layer such as halogens, chlorofluorocarbons, methylchloroform or carbon tetrachloride, as provided by the Montreal Protocol.
- Products shall not contain or shall not be manufactured with substances such as PBB (Polybrominated Biphenyl), PBBO (Polybrominated Biphenyl Oxide), also called PBBE (Polybrominated Biphenyl Ether). No type of asbestos may be used and/or delivered.
- All Products delivered to CAVE, according to this agreement, are new and do not contain any reconditioned or used part, unless specifically authorized in writing by CAVE.

The Supplier shall give to CAVE all necessary rights and licenses to use and sale the products and/or services purchased with this Order. The Supplier agrees to defend, protect and indemnify CAVE from any responsibility arising out of any claims, actions or suits toward CAVE and its Customers, for infringements of patents, industrial invention, copyrights, trademarks and trade secrets caused by the products and/or services contained in this Order. In case of disputes or claims, the Supplier shall obtain the authorization for CAVE to continue to use and sell the products and/or services, as stated in this Order, or to replace the delivered products with other regular products and/or services.

If the research, design, experimental or development works are carried out by the Supplier in relation to a specific assignment received by CAVE, the invention and exclusive industrial rights, the drawings and in general all technical results shall be the exclusive property of CAVE.

12. EXPRESS TERMINATION CLAUSE

12.1. CAVE may terminate the supply contract governed by these General Terms and Conditions of Purchase, if the Products do not comply with the technical or quantity requirements agreed or if the Supplier cannot fulfill one of the conditions provided in "Changes and Updates" (Art. 3) "Defective Products" (Art. 6.3), "Industrial Property" (Art. 11), "Tools and equipments" (Art. 10), "Foreword" (Art. 2).

12.2. CAVE may terminate the existing supply relationship with an advance notice of 30 days if it informed in writing the Supplier about the noncompliance of an obligation contained in one article of these General Terms and

Sede amm.va e stab.: Via Alessandria 1
I-20010 Canegrate (MI)
Tel. 0039 0331550811
Fax 0039 0331550813

Stabilimento: Via Spluga 5
I-20010 Canegrate (MI)

Stabilimento: Via Vercelli 9A
I-20010 Canegrate (MI)

www.cavesrl.com
info@cavesrl.com



Organizzazione con Sistema
di Gestione certificato
Company with Management
System certified

ISO 9001:2008



Conditions of Purchase, other than those stated in the previous paragraph, and if the Supplier did not remedy this breach within 60 days from the date of notification.

12.3. Furthermore, CAVE reserves the right to early terminate the existing supply contract with the Supplier if:

- A third company buys the stock majority or acquires control of the Supplier, being understood that the Supplier shall inform CAVE of this event within 60 days after its occurrence.
- The Supplier undergoes bankruptcy or composition proceedings or other financial reorganization. In all cases, the relationship shall be terminated by written notification from CAVE to the Supplier, notwithstanding the right of CAVE to claim compensation for any damages incurred. Early termination of the business relationship, as a consequence of one of the a.m. cases, will not give rise to any responsibilities for CAVE to the Supplier.

13. CONFIDENTIALITY OBLIGATIONS

The Supplier shall treat as business secret all commercial or technical information, unless they were already known, coming to his knowledge in the course or in connection with his business relationship with CAVE. Drawings, equipments, patterns and other similar materials shall not be made accessible to third parties, unless expressly authorized. This also includes documents of CAVE's customers and partners.

The copying or reproduction of such items is only permitted within the limits of the business requirements and the copyright regulations.

The Supplier undertakes not to disclose and/or deliver to any third party nor to use for non-contractual purposes the technical documents received from CAVE to carry out the business relationships.

14. PLACE OF JURISDICTION

For all disputes which may arise out of or in connection with this agreement, including any question regarding its existence, validity or termination, the Parties shall initially try to solve these disputes through mediation, in conformity with the Procedures of Mediation of the Milan Chamber of Commerce (Italy), which forms integral part of this article. If the dispute is not settled through this procedure of mediation within a period of 90 days after appointment of the mediator or within another period of time agreed between the Parties, then the dispute shall be finally settled by the Court of Milan, which will have the exclusive jurisdiction to resolve the a.m. dispute.

15. PERSONAL DATA TREATMENT

Personal data transmitted from CAVE to the Supplier are protected under Art.13 of legislative Decree No. 196/2003. The data controller of such data, according to the law 196/2003, is the Supplier.

16. APPLICABLE LAW

All relationships referred to these General terms and conditions of purchase are governed by the Italian law.

17. CONCLUSION

The Order shall be considered as fully accepted by the Supplier, unless a written communication is sent within 3 days from receipt of the order. When the Supplier carries out the order, he accepts these general terms and conditions of purchase entirely.

The Supplier shall always require the order from CAVE. Without the order, the Supplier is not obliged to perform what requested.

Cave shall reject any debit for works carried out without purchase order.

Cave shall reject any debit other than those stated on the purchase order.

The price shall always be agreed before the delivery, except if otherwise stated in the order.

The sole conditions governing the relationship between CAVE and the Supplier are those stated in this order.