

GENERAL CONDITIONS OF THE SUPPLY OF MECHANICAL FASTENERS

These General Conditions were unanimously approved and decided by UPIVEB Board on February 11th, 2005

Rev. 1 of 01.01.2013 - Amended text sections 1 and 10 after entry into force of amendments to Law Decree 231 of October 9, 2002

1) General Remarks

The following general supply conditions are in force and are applied to any Supplier's commercial practice in the industry of mechanical fasteners and similar parts, and in general, to any product manufactured, assembled, purchased and sold by the Supplier. These general conditions are drawn up in compliance with the laws in force and shall be considered the juridical base for any contract signed by the Supplier, except for the case of special orders or agreements, which they may be derogated from in writing. These conditions shall prevail on any different purchase condition used by the Customer, and are an integral part of the supply contract executed by the Supplier in favour of the Customer. Where not otherwise regulated through these supply conditions, the provisions of the Law Decree n°231 of October 9th, 2002 and subsequently amended, shall be in any case enforced.

Therefore, the following general supply conditions concern any executed contract or order, even though not expressly confirmed by the Customer, including orders placed as "open" or "scheduled" orders.

In any case, these conditions shall be considered automatically accepted by the Customer on the first Product delivery. The Customer, within its competence, is bound to implement all the measures and activities provided for in this document.

2) Contract: Field of Application

The following points are considered integral parts of the contract signed by the Supplier:

- These general supply conditions, which shall be considered anyway applicable, independently of Customer's express written acceptance.
- Any special condition expressly specified, agreed and accepted by both the Supplier and the Customer.
- Any Supplier's document enclosed as completion of these general supply conditions.
- Any technical paper, document, study, report sent by any reason by the Supplier to the Customer.
- The delivery note.
- The invoice.

Advertising papers, sales brochures, samples, catalogues, price lists, and anything else used or sent by the Supplier to the Customer before or during supply execution, will not be considered substantial contract elements.

3) Orders and Contract Formalization

By order is meant any document including the elements identifying the supply to be carried out in terms of quantities, product types, and prices. The order shall be considered transformed into a binding contract both in the case of Customer's express acceptance by any kind of writing (fax, e-mail, etc.), and as soon as the first supply accepted by the Customer is executed. By order execution is meant putting at Customer's disposal the actual Product, such as provided for by paragraph 7.2. Customer's Product acceptance shall be also considered as an acceptance of these general supply conditions.

3.1) Closed Order

By closed order is meant an order in which product quantities, price, delivery terms and times are expressly specified.

3.2) Open or "Scheduled" Order

By open order is meant an order that, after having established in general the Product type and the unit price, indicates the estimated product quantities to be consumed by the Customer within an expressly specified period (weeks/months/years) to be agreed upon between the Supplier and the Customer. Quantities and delivery times shall not be considered binding for the Customer.

By "scheduled" order is meant an order that, after having established Product type and unit price, indicates a minimum and a maximum product quantity to be delivered according to a pre-established schedule.

Each open or scheduled order must be transformed within an agreed term into a closed order to be submitted to Supplier's acceptance. This order shall expressly specify the Product quantities and delivery times requested by the Customer.

Supplier's liability, in presence of an open or scheduled order, is limited, as regards time, to the deadline specified for the delivery, and as regards quantities, to the highest volume stated by the Customer.

The Supplier is not bound to guarantee the delivery of additional Product quantities or delivery times that it might be too hard to respect.

The Customer may ask to change the content of an open or scheduled order and the Supplier shall do its best to meet Customer's requirements by improving its overall production (means, labour force, raw materials, etc.) assembly and transport capacities. Being understood the above mentioned liability, the Supplier shall try to make its Product procurement, production and delivery structures as flexible as possible. In case of a request for changes to be brought to an open or scheduled order, the Supplier is entitled to inform the Customer on possible Product price differences: this variation will be applied either in the case of Customer's express acceptance, or will be considered "in force" as from the first Product delivery after the request for order modification accepted by the Supplier.

3.3) Order Modifications

Any modification to the contract the Customer might request must be expressly accepted by the Supplier. Failing express acceptance, the previously agreed contract terms shall be considered unchanged, being understood in any case the application of these general supply conditions.

3.4) Cancellation of a Closed Order, or Reduction of an Open or Scheduled Order Below the Established Minimum Quantities

In no case, except for force majeure circumstances, the Customer is entitled to cancel a closed order or to reduce the quantities of an open or scheduled order below the foreseen minimum ones. Should the Customer intend to proceed in this sense, it shall notify in writing its request to the Supplier, who in the following 10 days may either accept or reject the Customer's request, or quantify the acceptance cost to the Customer. Depending on the kind of contract, cancellation or quantity reductions in an open or scheduled order shall be considered binding either in the case of Supplier's express acceptance or as soon as the Customer pays the cost specified by the Supplier. At fault, the Customer is bound to collect and pay the Product in compliance with contract terms or according to the minimum quantities established or agreed upon in the open or scheduled order.

Depending on the kind of contract, in determining the cost for cancellation or quantity reduction below the established minimum in an open or scheduled order, the Supplier is entitled to include all the costs borne or to be borne concerning procurement of otherwise non-usable raw materials or stocks, special and standard equipment, study and planning costs within the limits of the non-amortized share, and in any case, all the costs and any direct or indirect consequence having an economic relevance for the Supplier.

The Supplier is entitled to definitively detain, also in partial payment of the sum due, the amounts of money received from the Customer and paid by any title (also as equipment and/or mould joint financing).

In any case, the Supplier shall make every effort to limit as much as possible the costs to be debited to the Customer for the title specified in this paragraph.

3.5) Changes to Contract – Effects on Stock

The Supplier shall make every effort to keep a stock sufficient to fulfil in time Customer's requirements according to open or scheduled orders, and, in the case of long-term supplies, commits itself to increase stock quantities in order to be in the position to supply also slightly increased quantities of ordered products accordingly.

4) Preliminary and/or Additional Activities Concerning Orders

4.1) Drawings and Prescriptions

Any document, drawing, estimate, technical report, evaluation, offer, analysis, as well as any datum or paperwork by any title exchanged between Customer and Supplier before or during order execution, must be considered as handed over exclusively for the specific use to which it is meant. This transmission does not involve any specific transfer of property or right of use by any title. The receiver is therefore not entitled to use anything it may receive for different purposes. Customer and Supplier shall reciprocally keep their own property rights, including intellectual property, on all documents subject to be exchanged.

Customer and Supplier are mutually bound to maximum confidentiality and secrecy, such as established in the following paragraph 6, concerning existence and contents of documents subject to be exchanged.

In the event of a different use of the material subject to be exchanged from that allowed or provided for, the injured party is entitled to be compensated for damages.

4.2) Sample Return

Any sample, prototype, pre-series, pre-finished or semi-finished item, or in any case, any manufactured part sent by the Supplier to the Customer is and remains a Supplier's property, and the Customer is allowed to use it only for the purposes specified in the contract signed with the Supplier. The Customer is responsible for the safekeeping of what it has received and engages itself to return all received items as soon as the contract is cancelled or within 15 days from Supplier's express request. The Customer shall treat all received items with paramount secrecy and confidentiality and is not entitled to have at its free disposal, not even for the purpose of directly or indirectly carrying out tests, the items received by the Supplier without its preliminary written consent. In case of infringement of this clause, the Supplier is entitled to suspend any supply and ask for a compensation of damages.

4.3) Equipment Preservation

Equipment, moulds, and anything else, even subject to wear, that is necessary in manufacturing the Product destined to the Customer, have to be considered, except for what may be otherwise agreed upon in written, as Supplier's exclusive properties. Production tools and equipment will be designed by the Supplier basing on its own typical work methods and equipment. The Supplier is entitled to charge the Customer with all the costs borne for planning, developing and constructing the equipment intended to production or to manufacturing process optimization, so as to be allowed to implement useful and effective production processes aimed at keeping the price level of manufactured products competitive. The Supplier is also entitled to ask the Customer to jointly share the above costs. Also in that case, equipment, moulds and anything else required for the demanded production will remain Supplier's exclusive properties. Therefore, a possible cost sharing does not warrant the Customer any right of use or property, even if only intellectual or considered as know-how.

The Supplier, unless otherwise resulting from a written act, is allowed to freely use any equipment, mould and, in general, any work tool, also for different productions from those destined to the Customer.

5) Ordered Product Characteristics and State

5.1) Product Destination

The Supplier engages itself to manufacture the Product in compliance with the technical specifications agreed upon with the Customer. The Product shall also comply with the safety, health and environmental regulations in force. The Customer shall be liable for Product use, which shall be manufactured in compliance with the Supplier's procedures and known purposes. The Supplier shall not be liable for any non-allowed, improper of different use from that agreed upon. On Product reception, the Customer expressly guarantees that the Product corresponds to its needs and is suitable for the use and the purposes communicated to the Supplier.

Any different Product use or destination requirement shall be notified to the Supplier with a 60-day notice. The Supplier may refuse further deliveries or indicate the Product cost difference referred to the required modifications to be brought to the Product itself or to the working process.

Unless this is not preliminarily agreed with the Supplier, or known by the same, the supplied Product cannot be put into contact with food products or stocked in places where even virtually explosive or polluting materials are deposited, except for the case of stainless steel Products manufactured for the food industry.

5.2) Product Packaging

The Supplier shall deliver the Product properly packed in compliance with the safety and hygiene regulations in force. The Customer expressly declares to have been informed on the standard packaging type normally used by the Supplier and to consider it suitable for its own transport, deposit and storage requirements. The Customer is the sole responsible for correct Product deposit and storage. These activities shall be carried out in such a way as to ensure correct preservation of the technical and functional characteristics of the supplied Product. The Supplier shall not be liable for the use of different packing or containers from those supplied or for poor Product deposit or storage. Finally, the Customer is liable for correct and complete observance of the laws in force concerning destruction and recycling of disposable packaging used by the Supplier.

Supplier and Customer may agree upon using returnable packing as delivered Product containers. Also in that case, the Customer is the sole responsible for a correct use and maintenance of that kind of packing.

5.3) Circulation of Information Concerning the Product

The Customer engages itself to provide its customers with appropriate information about the technical and operating characteristics of the Product.

The Supplier must guarantee the traceability of any Product manufacture lot until the date of delivery to the Customer.

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6) Rights of Intellectual Ownership and Confidentiality Clause

6.1) Rights of Intellectual Ownership and Technical Know-How

The Supplier is the only legal owner of the rights concerning any datum, information, drawing, characteristic, chemical composition, functional property, and any other element concerning the Product.

The legal ownership of these rights shall continue also after Product delivery.

In no case, the execution of the supply contract shall be considered as a transfer of industrial ownership rights or a use licence of the know-how concerning the Product. The Supplier, as legal owner of the above rights, reserves the faculty to use for its own purposes, the results of any check, experiment or test performed on the Product, also after the delivery.

6.2) Confidentiality Clauses

The Supplier and the Customer, throughout their supply relation, and for 5 years after the end of the supply contract, are bound to scrupulously observe the utmost confidentiality and secrecy on anything (documents, data, characteristics, elements, technical or financial information, drawings, diagrams, reports schemes, minutes, etc.) they may have reciprocally learned during contract preparation or execution.

The Supplier and the Customer engage themselves to keep all the materials reciprocally exchanged or received with equal care, and to observe the utmost secrecy, as if anything they may have received or exchanged were their own exclusive property. The Supplier and the Customer shall allow only the persons involved in supply execution to have access to any datum, document and material received.

Furthermore, the Customer and the Supplier expressly declare to be in conformity with the procedures on privacy, such as provided for by the laws in force.

If necessary, the Customer and the Supplier are bound to designate, notifying the name, a person responsible for the management of transmitted sensible data.

The confidentiality and secrecy clause is not in force in case of:

- Common knowledge information, or in any case already known on contract signature;
- Information already possessed before contract signature;
- Compulsory information circulation, imposed by either a Judicial Authority or a Public Authority in general.

Any infringement of this clause entitles the other party to ask for compensation for damage and, should infringement be particularly serious, to ask for contract rescission.

6.3) Counterfeiting Guarantee

The Supplier guarantees the ownership or the right to use on any information, drawing, document content, and process employed in the production and supply of the Product.

In addition, the Supplier guarantees the non-existence of any patent or bond in the position to stop Product manufacture and sale.

In case the Product is manufactured according to drawings, specifications or information provided by the Customer, the same is liable for any infringement, even concerning the production process, of any right of industrial or non-industrial ownership owned by third parties, and engages itself to release the Supplier from any consequence the availability or use, in any way, of this information may directly or indirectly cause to the Supplier. Finally, the Customer shall be directly liable, and shall in any case release the Supplier accordingly, for any direct or indirect damage, as well as for any cost, even judicial or concerning the counsel for the defence, including fees to lawyers and professionals designated by the Supplier, it might be asked to bear in case of legal actions.

7) Product Delivery, Transport, Inspection and Acceptance

7.1) Delivery Times

The Supplier is bound to comply with the delivery times agreed with the Customer. In no case the date of delivery shall be considered essential and binding in correct order execution, and the Customer expressly renounces formulating any claim for damages or asking for contract rescission in case of non-observance of Product delivery time. Unless a fixed delivery date has been provided for, being understood that in any case this date is not binding, delivery times will start as from the most distant date among the following ones:

- Date of order reception notice;
- Date of Customer's acceptance (if requested) of all materials, equipment and manufacturing details;
- Date of Customer's fulfilment of all preliminary contractual or legal obligations (for example, import licences, authorizations, etc.).

The Supplier reserves the right to notify to the Customer possible changes in delivery times if the date shift is particularly considerable. The Customer may ask the Supplier to make any effort to bring delivery times back to normal levels, but is not entitled, in any case, to refuse collecting the Product.

The Supplier reserves the faculty to suspend *sine die* Product delivery in case of non-payment of supplies.

7.2) Delivery Terms (Ex-Works Incoterms 2000)

Unless otherwise agreed, and being the provisions indicated at paragraph 10.6 understood, Product delivery will be made ex-works at the premises established by the Supplier and will be considered carried out on the day and hour in which the Product will be loaded on the transport means used by the carrier or by the forwarding agent. As from that date, all risks and liabilities concerning the Product shall be transferred to the Customer. Only if expressly provided for, the delivery may be considered carried out in the Customer's factory or warehouse. In this event, too, transport shall be made at Customer's risk.

The Supplier shall send in good time a "goods ready for delivery" notice. The Customer shall collect the Product on the date and hour indicated on the "goods ready for delivery" notice. If goods collection is not made in compliance with the above notice, the Customer shall take any cost, disbursement or expenditure borne for any reason (deposit, insurance, handling, storage, space utilization, etc.) by the Customer upon itself. In this event, the Supplier shall issue a regular invoice including all the amounts claimed on credit. The payment of this invoice shall be made in compliance with the provisions stated at paragraph 10.1.

7.3) Transport, Custom Duties, Insurance

Unless otherwise provided for on the order, transport will be always made at Customer's care and expenses. Should it deem it necessary, and under its own liability, the Customer may insure the Product during transport. Any commercial term shall comply with the Incoterms terms in force on contract signature finalization.

In the event the Supplier should take upon itself the task of shipping the Product to destination, risk transfer shall take place as soon as the Product is handed over to the first forwarding agent or to the first carrier.

The Supplier reserves the right to accept requests for partial shipments of the ordered Product.

Unless otherwise agreed, the Customer shall also take upon itself custom duties and shall also fulfil all associated procedures. Independent of agreed delivery terms, the Supplier is not bound in any case to insure the Product.

7.4) Control of Delivered Product Quantities and Type

The Customer shall check Product conformity to order terms on delivery through its own staff, at its own expenses and under its own exclusive responsibility. Any contestation or reserve concerning visible parcel or Product defects, weight or quantity differences in comparison with the delivery note accompanying the Product shall be immediately noted on the CMR.

A copy of the CMR reporting reserves or contestations shall be sent to the Supplier, who, in any case, in compliance with paragraph 7.2, shall not be considered liable for shortages and shall not answer for the reserves put forward by the Customer. In absence of reserves reported on the CMR, the Product shall be considered accepted as regards type and quantities.

7.5) Claims Concerning the Presence of Defects

The Supplier is bound to deliver the Product without defects and in compliance with order specifications.

In case of presence of defects in the Product, under penalty of forfeiture, the Customer, within eight days from delivery date in case of evident defects, and within eight days from assessment in case of concealed defects, and in any case within one month from delivery date, shall contest the Product and notify the Supplier in writing on the defects or faults, number of pieces on which these defects have been found, control methods used, lot number and any other useful element allowing the Supplier to correctly identify the Product object of contestation.

If requested by the Supplier, the Customer shall send back, at its own expenses and care, the Product object of claim. The Supplier shall unquestionably decide, and this decision would not involve any admission of liability, to repair the Product and send it back to the Customer. In that case, the Supplier shall bear the associated freight costs. Should the Supplier not find any presence of the reported defects or faults, it will ask the Customer to come to its factory in order to jointly examine the results of its checks, and then the Product would be sent back again to the Customer at Customer's expenses.

In any case, the Supplier may unquestionably decide, and this decision does not involve any admission of liability, to replace the claimed Product and send a new one to the Customer.

In no case, unless the Supplier decides completely replacing the Product, the Customer is entitled to stop the payment of the Product object of claims. For no reason the Customer is entitled to make autonomously or to let make to third persons any working process or intervention on the Product.

In that case, the Product would not be under guarantee any longer and the Supplier could not be charged of any liability.

If the Customer, in presence of visible defects or faults, should decide not to notify them to the Supplier, and should instead use or sell the Product, it would loose any replacement, repair and guarantee right. In any case, unless there is a contrary request sent by the Supplier to the Customer, the costs for disposal of the Product object of claim shall be borne by the Customer, if the Product is still in its premises.

Any claim or contestation concerning a single Product delivery does not exonerate the Customer from the obligation to collect and pay the remaining quantities of goods within the limits established by the order or engagement.

7.6) Guarantee - Duration

The Supplier is bound to deliver the Product in full compliance with all the laws in force and with the order. Unless otherwise agreed, the Supplier guarantees the supplied Product for a period not exceeding one year after the delivery.

The guarantee shall be effective only in the case of correct Product use and if the Product bad performance is not imputable, even indirectly, to the Customer for a particular use of the Product itself.

7.7) Acceptance

After the time limit of eight days and in absence of claims, the supplied Product shall be considered definitely accepted. In no case, after Customer's acceptance, the Supplier is obliged to replace the supplied Product.

8) Contingency Clause and Force Majeure

8.1) Conditions for Product Price Changes

The Supplier may change the Product prices even after having accepted the order. The Supplier shall communicate the new price to the Customer in writing, explaining the reasons that made that change necessary. The new price shall become binding for the Customer as from the first Product delivery after notification.

8.2) Force Majeure

The Supplier may suspend its supply obligations and any contractual engagement with the Customer in case of Force Majeure circumstances or Acts of God. Should the Supplier avail itself of this right, it shall immediately inform the Customer in writing, explain the causes of these unexpected circumstances, and specify, if possible, the foreseen duration of suspension from its contractual obligations. If the cause of this suspension should last over 15 workdays, the Customer is entitled to temporarily purchase the Product it needs from another supplier, being understood that, once the Force Majeure circumstances have ceased, the Customer will purchase the Product again from the Supplier. The Supplier engages itself to inform in writing the Customer about the termination of the Force Majeure circumstances, and to specify the date of the first Product deliveries.

The Customer is bound to accept these deliveries. If the Force Majeure circumstances should last over 120 days, the Supplier and the Customer shall organize a meeting in order to evaluate the possibility to consider the contract annulled. In any case, the Customer shall collect and pay all the Product quantities at the Supplier's stock, the cost of the semi-finished products and the special raw materials that cannot be otherwise used.

The Supplier may appeal to Force Majeure circumstances in any case its activity should become particularly onerous or impossible. The following causes are considered additional circumstances to Force Majeure, though this list is merely indicative and not binding:

- Acts of God (earthquakes, fire, floods, storms, etc.).
- Wars, battles, struggles, outrages, revolts, terrorist attacks.
- Labour disputes, occupations, lockouts, general, industry or factory strikes.
- Labour disputes, general or industry strikes, occupations or lock-outs involving the Supplier's suppliers, carriers, service providers, forwarding agents, post offices, public offices in general, or in any case, all those who are involved in the production process.
- Ordinances of judicial, governmental or, in general, public authorities.
- Import bans, embargos, production halts ordered by health, or in general, public authorities.
- Industrial injuries, sequestrations, machine failures, explosions, electric power unavailability and any other cause that may limit or prevent manufacturing.

The Customer shall timely inform the Supplier of any circumstance that may be considered as Force Majeure and may hamper Product delivery and collection.

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In that case, the Customer shall inform the Supplier on the new Product delivery terms and the possibility to deliver the Product in a different place from the one agreed, bearing in this event the extra-costs specified by the Supplier, and taking the necessary measures to collect or store the Product manufactured by the Supplier, and limit therefore any further inconvenience to the Supplier as much as possible.

In no case the Customer is entitled to stop the payment of supplies appealing to Force Majeure.

9) Price Definition

The Supplier shall specify the Product price on the order placed by the Customer. Unless otherwise agreed, selling prices shall be considered net, taxes or any other expense deducted, and in any case "ex works". The Supplier shall invoice the Product basing on its own standards or according to the contract agreements established with the Customer. Barring agreements to the contrary, selling prices shall be always denominated in Euros.

10) Payments

10.1) Payment Terms

Independently of possible claims, the payment of supplies shall be made as agreed upon with the Customer, being in any case understood the enforceability of the Law Decree n°231 of October 9th, 2002 and subsequently amended.

The Supplier shall not be bound to grant any discount in the event of Product advance payment.

10.2) Delays in Payments

It being understood what specified in paragraph 1, in the event of Product non-payment within the terms established at paragraph 10.1, an interest equal to rate fixed by BCE for re-financing operations, increased by 8% and related to the delay period, additionally to the damage caused as regulated by law D.Lgs. 9.10.2002 n. 231 and subsequently amended.

The Supplier is entitled to issue an invoice for interests, basing on the conditions established in this paragraph, and send it to the Customer. The invoice shall also include the costs borne by the Supplier in this regard. The Customer shall immediately settle that invoice on receipt. In the event that an invoice for delayed payment interests is issued, the Supplier is entitled, in its unquestionable judgement, to impute any subsequent payment made by the Customer in settlement of the invoice issued for interests and expenses, and only for the residual sum in payment of the supplied Product. In the case of Customer's repeated and serious defaults in payment, the Supplier is entitled to stop Product deliveries, to reject any request for further deliveries, or to consider the contract annulled.

10.3) Changes in Customer's Financial or Social Situation

Any event or behaviour that may objectively lead to doubt Customer's trustworthiness or its will to pay the supplied Product, may be considered by the Supplier a reasonable ground for stopping Product deliveries. In this event, the Supplier shall send a specific communication to the Customer. As from the date of reception of the above communication, any outstanding debt of the Customer towards the Supplier, or any other outstanding sum, will be considered immediately overdue and collectable, and this derogating from any contrary previous agreement established with the Customer. The Supplier shall be also entitled to collect the unpaid Product it has supplied from the Customer's warehouses or factories.

In the event the Customer is submitted to legal proceedings, such as deed of arrangement, temporary receivership, bankruptcy, compulsory winding-up, special management, the Supplier, in compliance with the specific regulations on collection of credits, shall be entitled to stop further deliveries or consider the contract annulled.

The Customer is bound to inform the Supplier about any relevant change occurring either in its company structure, or in its managerial-administrative organization, or about any agreement signed concerning conveyance of property of its entire company or a branch of it, if this event involves Product supplies. After having evaluated this information, or in lack of any information in this regard, the Supplier is entitled to inform the Customer on its decision whether to continue the relation or not. In that case, all the Supplier's credits will be considered immediately collectable. In any case, the Supplier is entitled to keep, as partial payment of the sum due, any advance payment or the sums it may have already cashed up to then.

10.4) Customer's Credits

For no reason or title, the Customer shall be allowed to issue, without the Supplier's agreement, debit notes or invoices for credit claims, or in any case, to debit the Supplier with amounts of which the Supplier does not consider itself, expressly and in writing, debtor. Therefore, failing a written authorization, the Customer shall not be entitled to compensate or keep any sum due to the Supplier; in that case, the Supplier is entitled to ask for interests because of non-payment or delayed payment, such as provided for at paragraph 10.2.

In the event of outstanding credits in favour of the Customer, the Supplier shall be entitled to set off these sums with the amounts due concerning deliveries carried out or to be carried out.

10.5) Payment Guarantee in Case of Subcontractors

Assuming the existence of specific laws in this regard, the Supplier and the Customer engage themselves to come to an agreement as regards the possibility of direct payments and liabilities with subcontractors. In no case the Customer is entitled to establish direct agreements with the Supplier's subcontractors, thus departing from these general supply conditions.

10.6) Retention of Title

The Product is supplied under the "Retention of Title" clause. Therefore, the Product shall remain a Supplier's property until complete payment of any debt. The Customer shall take the necessary measures for the protection and the safeguard of this right, and shall be liable for any consequence that may affect the Product. Retention of Title does not implies derogating from the provisions stated at paragraphs 7.2 and 7.3 concerning risk and liability transfer as regards Product transport and storage. The Customer is bound to take all necessary measures in order not to mix up the Supplier's Product with other similar products supplied by different suppliers, and shall keep the Product in special well-limited and identifiable areas

11) Liabilities

11.1) Definition of Supplier's Liabilities

The Supplier shall be exclusively liable for its own activities and for the correct manufacturing of the supplied Product, which shall have the characteristics specified in the order. No other liability is in the province of the Supplier.

In addition, the Supplier shall organize and carry out the manufacturing process in compliance with all the regulations in force in this area.

The Supplier shall not be considered liable for Product defects, if these defects depend on:

- materials supplied by the Customer or by third parties on Customer's behalf;
- planning or design errors, if these activities are carried out by the Customer or by third parties on Customer's behalf;

- use of machinery or equipment specified or delivered by the Customer or by third parties on Customer's behalf;

- treatments or manipulations carried out without the Supplier's consent;

- manufacturing errors, if the production process is specified and validated by the Customer;

- different, non-allowed, anomalous, atypical, or particular Product use;

- Product defects depending on storage, transport, preservation or handling;

- normal Product wear, or Product deterioration depending on events ascribable to the Customer or to third persons;

- non-compliance with Supplier's recommendations, prescriptions or suggestions concerning Product maintenance, preservation and use.

11.2) Liability Limits

The Supplier's liability shall be limited only to direct damages caused to the Customer's things, personnel or employees, and depending on Product defects or faults that may be attributed to the Supplier and are acknowledged by the same. Any liability referred to indirect damages, image loss, lost profit, loss of earnings, operating deficit, machine and line stoppages, or in any case as an indirect consequence of Product defects, is expressly excluded.

Similarly, the Supplier shall not be liable for any direct or indirect damage suffered by the Customer depending on the use of technical documents, information, Product data, technical or functional information on characteristics, etc., if this use is not preliminarily and specifically authorized by the Supplier in writing. In no case the Supplier shall be liable for non-performance of the supplied Product.

12) Jurisdiction

Product supply and any consequence deriving from contract execution or, in any case, any event in connection or prodromic to contract and/or order

conclusion, shall be always and in any case imperatively submitted to the Italian Jurisdiction and to the laws in force in Italy, being excluded any validity or enforceability of any other foreign jurisdiction or law.

13) Competent Court in Controversies

The Supplier and the Customer, in any moment and in case of necessity, shall make any effort to settle in a friendly manner any possible controversy or disagreement arising between them for any reason in connection, even on a prodromic base, with Product supply.

Failing the Parties to achieve a solution to the controversy in a friendly manner, the sole jurisdiction of the Court based in the territory of the Supplier shall be always and in any case considered mandatory.