

These **General Conditions of Purchasing** (hereinafter GCP) govern the relationship between:

Alfazero SpA, having its registered office in Corso Italia 2, 50123 Florence, Fiscal and VAT. code 00355480526, (hereinafter "the Purchaser") and

_____, having its registered office at _____ Fiscal and VATcode _____, (hereinafter "the Supplier")

Subject ...

1. DEFINITIONS AND GENERAL PRINCIPLES

The terms included in these General Conditions of Purchase (GCP) shall have the following meaning:

- a) "Purchaser": Alfazero S.p.A. ;
- b) "General Conditions" means the entirety of principles and regulations laid out in these Conditions of Purchase regulating all orders issued by the Purchaser, unless expressly waived or supplemented by Special Conditions;
- c) "Intellectual Property" means all intellectual or industrial property rights on intellectual property, industrial inventions, know-how, software, proprietary information without limitation, including, but not limited to, drawings, samples, gauges, dies, models and specifications made by the Purchaser or third parties acting on their behalf;
- d) "Special Conditions" includes all the special provisions that may be included in each Order, regulating particular, specific and operational aspects of the relationship with the Supplier;
- e) "Technical and/or Programming Documents": the Technical Specifications, drawings, know-how, the General or Special Bid Specifications, the Work Statement, or any other document belonging to the Purchaser (or accepted in writing by the Purchaser) where the purpose of supply is described and or illustrated;
- f) "Supplier" the subject who owns and has accepted the supply regulated by the Order;
- g) "Supply": the combination of materials and/or services covered by the Order;
- h) "Day/Days" are intended to be solar days;
- i) "Materials": the goods to be supplied under the Order;
- j) "Order" means a purchasing order issued to the Supplier by the Purchaser, including the GCP, the Technical and/or Programming Documents and any other document containing an indication of what the Purchaser requires from the Supplier (eg. a Quotation), as provided in Art. 2;
- k) "Services" means any service, performance, delivery or job covered by the Order;
- l) "Party" or "Parties" individually the Supplier or the Purchaser, and collectively both of them;
- m) "Indemnification" reimbursement to the Purchaser by the Supplier for costs, claims, demands, liabilities, expenses, damages or losses (including without limitation to any direct, indirect or consequential losses, loss of profit and loss of reputation, and all interest, penalties and legal and other professional costs and expenses) arising out of third party infringements for which Supplier is responsible.

n) "Open Source Software" publicly available and accessible software which can be used, modified and further developed by everybody, however always in compliance with the relevant publicly available underlying licence terms and conditions.

o) "Embedded Software" software necessary for operation of Materials and or work products excluding any other software which shall be subject to a separate licence agreement.

2. CONTRACTUAL SOURCES

The Order consists of the following documents with the order of precedence illustrated here:

1. The Order issued by the Purchaser, the front page of which will express any Special Conditions;
2. Contracts or Framework Agreements, where applicable;
3. General Terms and Conditions in their latest revision;
4. Technical and/or Programming Documents;
5. Any other document capable of producing indications of what the Purchaser intends to require from the Supplier (eg.a Quotation).

Specific Conditions shall therefore prevail over any other document indicated in paragraphs 2 to 4 of this article.

Any amendments to the GCP and/or to the Special Conditions shall have no effect unless expressly agreed in writing by the Purchaser and the Supplier.

Nullity, partial or total invalidity of each clause of the Order shall not mean invalidity of the entire Order. Failing the Purchaser to take advantage or taking late advantage of a right granted by the Order shall not mean the right is renounced. Failing the Purchaser to point out that the Supplier doesn't fulfil terms and conditions of this GCP shall not be interpreted as a renounce to point out every non fulfillments of the Supplier or a modification to the GCP or the Order.

3. APPLICABILITY

3.1 GCP shall apply to any Purchase Order ("the Order ") issued by the Purchaser to the Supplier for the execution of the Supply.

3.2 The Order is to be considered finalized and submitted to the GCP, upon the Purchaser's receipt of the Order confirmation by the Supplier who signs the GCP to fully accept these conditions, without any changes or reservations whatsoever. The Supplier shall notify the Purchaser of the acceptance of the Order by sending the Purchaser's Purchasing Office a copy of it signed for acceptance, which is considered to be the Order Confirmation.

3.3 The Order Confirmation must be received by the Purchaser within 7 (seven) days after the Order's mailing date. If this deadline is not met, the Order is considered null and the Purchaser has no further obligation of any kind towards the Supplier.

3.3 If the Order is made for the execution of a job, service or installation, the performance of the task will be subject to the rules on safety, accident prevention, environmental protection and pollution prevention by and under the law and this is considered to be the sole responsibility of the Supplier.

3.4 Terms and Conditions that are in any way different from the GCP and have been attached, referred to, added or changed by the Supplier shall have no validity unless expressly accepted in writing by the Purchaser.

3.5 Equipment (eg. molds) that the Purchaser provides to the Supplier for the execution of the Order remain the exclusive property of the Purchaser and the Supplier is responsible for their loss, sale to third parties and/or damage.



3.6 The Supplier shall be subject to assessment of the internal management system, with reference to ISO 9001: 2008, ISO 14001:2004 and ISO 18001:2007.

3.7 The Purchaser reserves the right to edit and/or alter the GCP, these modifications and variations can be communicated by any written form of correspondence sent to the Supplier, and will be considered accepted if the Supplier does not expressly challenge the written conditions within seven days of receipt.

3.8 By accepting these GCP the Supplier waives any of its own, in their entirety or specific, conditions of sale.

3.9 The Order is not transferable by the Supplier, even in part, without the written consent of Purchaser.

3.10 The Supplier must guarantee the traceability of each Product Lot.

4. SUPPLIER'S RESPONSIBILITIES

Supplier shall deliver the Supply:

- a) In accordance with the applicable laws and regulations,
- b) In accordance with the specified quality standards,
- c) In accordance with all specifications given by the Purchaser relating to time, quantity, conditions set forth within Technical Documents.

Supply shall be:

- a) Free from defects,
- b) Free from third's parties rights,
- c) Fit for any particular purpose expressly or implicitly made known to the Supplier.

In any case of lack of any of the points below and in any case provided by the GCP the Purchaser shall have a right for Indemnification.

5. DELIVERY

5.1 Ownership of Materials and of the Supply shall be transferred to the Purchaser when the Supply is delivered., unless differently agreed in writing.

The terms and conditions for product delivery are specified in the Order. The Supply must be delivered on the date and place specified in the Order, accompanied by the relevant transport document (RTO) properly prepared, and identified with a special identification card. The agreed delivery terms are imperative: therefore, delays and also advances with respect to the agreed delivery date are inadmissible, unless expressly authorized in writing by the Purchaser.

5.2 In any case and without limitation to its right for Indemnification, the Purchaser may apply, at its sole discretion, a late delivery penalty of 2% (two percent) of the value of the portion of the Supply which was not delivered, for each week of delay, up to a maximum of 20% (twenty percent) of the total Order value.

5.3 Subject to the provisions in paragraph 6, in case of delays in delivery not due to any cause of Force Majeure and not promptly reported to the Purchaser, the Purchaser has the right to choose one or more of the following faculties:

- (A) demand execution of the Order, in whole or in part, and eventually apply the agreed penalties;
- (B) replace the goods and supply elsewhere at any time, in whole or in part, the ordered goods at the expense and risk of the Supplier, notifying the Purchaser;
- (C) terminate, with immediate effect, the totally or partially non-compliant Order, according to the law, by written notice to the Supplier;
- (D) require an additional essential term of fulfillment;
- (E) accept the quantitative differences found, with the power to change correspondingly the quantities of any subsequent deliveries;

(F) in any case, the Purchaser reserves the right to Indemnification.

6. FORCE MAJEURE

In the event the execution of the Order is impeded by proven Force Majeure causes, delivery times will be re-established by the Parties, on condition that the Supplier has informed the purchaser at the moment the force majeure circumstances occurred and the Supplier has taken all appropriate measures to mitigate these conditions. The circumstances of force majeure cannot be invoked if they arise after the expiry of the agreed delivery time and/or in case of subcontractor delays.

7. SOFTWARE

7.1 To the extent that Supply contains Embedded Software, a licence on this software shall be transferred to the Purchaser on the basis of specific written agreements.

In any case the Purchaser shall have a worldwide, irrevocable, perpetual, transferable, non exclusive royalty free right to use the Embedded Software or any part thereof including the documentation regarding the Software.

7.2 In the event the Embedded Software or a part of it is owned by a third party, the Supplier shall be responsible for obtaining the respective software licences from the third party before delivery, to comply with its obligation under the contract.

7.3 Purchaser is entitled to make a backup copy of the Software also without explicit authorization.

7.4 In any case the Supplier for the execution of the Supply shall give the Purchaser all the documentation necessary to use the Embedded software or the Open Source Software, especially if specifically created for the Purchaser (such as instruction and operation manuals as well as installation and assembly manuals and also guarantee certificates).

7.5 Supplier shall install and set up free of charge to the Purchaser the Embedded Software or the Open Source Software and shall guarantee the maintenance, assistance and training without costs for the Purchaser also through specialized personnel for a minimum period of one year or anyway until the Purchaser is able to use the software autonomously.

In case of specific request by the Purchaser over the normal use of the software, Parties will agree on terms and conditions of such a service from the Purchaser.

8. PACKAGING AND SHIPPING

8.1 Packaging Materials must be suitable for the purpose, including, and taking into consideration the destination and the means of transport used. The Supplier will be responsible for transport and/or shipment of materials, committing to compliance with applicable laws and claims to have verified the suitability of the agent for the destination and means of transport used, as well as the security and protection of the materials transported.

8.2 Unless otherwise agreed by the Parties, all costs of packaging, transport and shipping are the sole responsibility of the Supplier. Shipments must be accompanied by a transport document ("RTO") prepared in accordance with the regulations. For deliveries by forwarding agents, a copy of the document must be included in the packaging. The transport document always refers to a single Order. In the case of hazardous materials, the Supplier shall ensure packaging with features according to regulations. The supply must be carried out on the premises indicated in the Order. In the absence of specific instructions, the Supplier will ask for specific directions to the Purchaser.



8.3 The delivery of the materials in the places agreed means carried in storage and safekeeping until the case testing and / or acceptance.

8.4 The Supplier agrees to indicate (using a special yellow card) on each package delivered the presence of goods and / or services (or parts / components) for which there exist restrictions on exportation.

9. PRODUCT QUALITY AND ACCEPTANCE

9.1 Supply must be fully compliant with the technical and functional specifications defined in the Order and/or Technical Documentation or supply specifications, previously provided to the Supplier. The components in each product must conform to the type, make and model explicitly required in the technical specifications or technical documents delivered with the Order; if the components used are different from those required, even if they are of equal quality, the Supplier is obliged to communicate this change to the Purchaser and await approval. The simple delivery or payment of the Supply cannot be considered, in any case, as acceptance of the goods/services, which is carried out by the competent offices of the Purchaser, according to the procedures and verifications described later in this article.

9.2 In order to verify this compliance, the Purchaser shall have the right to inspect Supply performance.

9.3 If a defect is detected in the Supply or it doesn't match the Order, also with respect to any of the Purchaser's technical specifications, the Supplier shall promptly remedy the situation by repairing/replacing the Supply. In the case of non-compliant products, in addition to requiring the replacement of the products, the Purchaser shall, at its option, implement use of one of the following faculties:

(A) require the Supplier to recover the non compliant products at expense of the Supplier, according to written estimates, or

(B) refuse the products themselves or the whole lot to which they belong, without requiring replacement, canceling the relevant Purchase Order with a written letter to the Supplier; in this case, no amount will be due to the Supplier for any reason. Although it will remain the Purchaser's right to terminate the Supply Contract in case of rejection of the products for non-compliance of the same with respect to the Order.

9.4 The rights of inspection and/or acceptance of products does not imply any renunciation on the Purchaser's part to assert its right to any other law and agreement, expressly included in the guarantee against defects and/or malfunctions and the right for Indemnification.

9.5 No changes will be introduced by the Supplier in the supply of products except by written consent of the Purchaser.

No variation to the Supply can be introduced by the Supplier in the Supply if not by written notice to the Purchaser.

9.6 Delivery of the Supply does not imply acceptance by the Purchaser. Acceptance of the Supply takes place only after the Purchaser has carried out the checks, inspections, tests and or trials required, within thirty (30) days from the date of delivery of the goods.

9.7 If, upon delivery, the provision appears, in whole or in part, incomplete or damaged, the Purchaser, within 15 (fifteen) days from the date of discovery, will give written notice to Supplier. The products will be available to the Supplier for inspection for a further period of 15 (fifteen) days, after which the Supplier will be required to collect the goods and no responsibility can be attributed to the Purchaser for any damage, deficiencies and/or subtractions that occurred after this period. All charges relating to the collection and shipment of the goods will be borne by the Supplier.

9.8 The Purchaser reserves the right to reject a partial delivery even though the Supply is dividable.

9.9 Services provided and charged on the basis of hourly rates require written confirmation of Supplier's time sheets by the Purchaser. The

Purchaser shall not be held responsible for payment based on time sheets not approved in writing by the Purchaser.

10. ORDER VARIATIONS

Purchaser may issue Variation Orders to Supplier to alter, amend, omit, add to, or otherwise change ordered Supply and Supplier shall carry out all such reasonable Variation Orders. The Parties shall agree on the impact of Variation Orders on applicable prices.

11. WARRANTY

11.1 Supplier warrants that the Supply complies with specifications of the Purchaser as laid down within the contract or the special condition or the Order and fit with for the purposes made known to the Supplier explicitly or not.

11.2 Unless otherwise agreed to in writing, all products delivered by the Supplier will be covered by the guarantee of good operation for a period of not less than twentyfour (24) months from the date of acceptance of the Supply.

11.3 The Purchaser shall be entitled to receive Indemnification from the Supplier for any direct or indirect damages, resulting from the defect and/or failure of the product ordered. For this reason the Supplier declares to have adequate insurance coverage, and agrees to deliver a copy to the Purchaser.

The insured sum shall not be considered or interpreted as a limitation of the Supplier's liability.

12. CONTINUITY OVER TIME

12.1. The Supplier guarantees that the products supplied are in compliance with the latest state of the art and technology standards. The Supplier expressly declares that the Supply is free from obsolescence on the basis of preliminary analysis performed prior to the issuance of the Order by the Purchaser.

12.2 For the duration of the Order, the Supplier is responsible for the verifying, managing and resolving any obsolescence and the Purchaser undertakes to notify the Purchaser the parts and/or systems subject to obsolescence, proposing solutions to remedy and/or manage such obsolescence, unless otherwise agreed upon by the Parties.

12.3 Normally any product modifications must be agreed to by the Purchaser. In cases where this turns out to be essential for objective and obvious reasons, the Supplier shall agree with the Purchaser to a plan that allows the management of the change so that this does not impact the Purchaser's production resulting in higher costs for the same;

12.4 The Supplier guarantees a supply of spare parts for a period of not less than ten (10) years from the date of delivery and/or installation of the same.

12.5 The Supplier guarantees that the obligations assumed by the acceptance of the Order, including those of the GCP, will be made in full and kept in all circumstances, including, but not limited to: changes in the organization, changes in company ownership, mergers and/or incorporations.

13. CONFIDENTIALITY

13.1 With the exception of cases that are subject to a specific confidentiality agreement in force between the Parties, any technical, technological, manufacturing process, as well as any data, design or specifications that the Supplier comes into possession of, or otherwise has knowledge of, in relation to the Order or execution of a Supply Contract, must be considered strictly confidential and, therefore, subject to the obligation of confidentiality.



13.2 The Supplier undertakes to use such confidential information exclusively for the execution of Orders and/or contracts and to maintain confidentiality for a period of 5 (five) years following fulfillment of the Order.

14. SAFETY

The Supplier agrees to provide only products which are in full compliance with local regulations at the time of the Order, and free of substances identified as SVHC (Substances of Very High Concern) under the Regulation EC 1907/2006 ("REACH") and its subsequent amendments and additions.

15. SUBCONTRACTING

Supplier shall neither assign nor subcontract, transfer nor encumber the Supply without prior written approval of the Purchaser.

16. LIABILITY

16.1 The Supplier will be liable for all damages, including indirect damages, to persons and/or property belonging to the Purchaser and/or third parties, arising from a breach of contractual provisions and/or violation of obligations under law, for actions and/or omissions by the Supplier, its employees, agents or subcontractors in the execution of the Order.

16.2 The Supplier shall be fully responsible for and shall indemnify the Purchaser for defective product Supply.

16.3 In the event of malfunctions and/or material defects e.g. discrepancy, interruption and/or suspension of the Services, the Supplier shall be liable for all damages caused and agrees to indemnify and hold harmless the Purchaser and its successors from any action and/or claims made by third parties, as well as any fees and charges that the Purchaser and its successors had to bear as a result of any actions and/or claims.

16.4 The Supplier represents and warrants that all goods are free from the Supply constraints and charges of any kind and undertakes to indemnify and exempt the Purchaser against any claim.

16.5 The provisions of this Article shall remain in force even if the Order were to be terminated for any reason.

16.6 In cases of aforementioned Supplier liability, the Supplier is required to bear all costs and expenses, including the costs of any legal actions.

16.7 Before any action to recall products, due in whole, or in part, to a defect in the product supplied by the Supplier, the Purchaser shall give notice to that supplier, offer it opportunity to collaborate and discuss the best and most efficient course of action to recall the product, unless a case of particular urgency occurs and the Purchaser does not have the time necessary for communication and collaboration. The costs of the recall are the responsibility of the Supplier when it is due to a defect in the product supplied by the Supplier.

17. PERSONNEL

17.1 Each Party is acting hereunder as an independent contractor. Except as set forth in this Agreement neither Party is granted any express or implied right or authority to assume, or to create, any obligation or responsibility, or to execute any agreements or to make any commitments verbally or in writing for or on behalf of, or in the name of, the other Party in any manner or thing whatsoever without the other Party's express written consent.

17.2 Supplier shall hire in its own name all employees required to effectively provide the Supply, according to existing laws concerning labour law, health, safety, environment.

17.3 The Purchaser is solely responsible for the organization, management, compensation and insurance coverage of its personnel,

suppliers and subcontractors and shall be responsible for actions, omissions, negligence and obligations of its personnel, suppliers, subcontractors, agents, joint venturers also in case of performing part of the Supply in the facilities of the Purchaser.

17.4 Purchaser is the sole responsible for and will indemnify and hold harmless the Purchaser from any liability arising out of any claims of employees employed by Supplier or any independent contractors or agents or other parties making claims for legal actions, lawsuit, losses, costs and damages arising out of, relating to, or resulting from their respective employment or other relationship with Supplier

18. INDUSTRIAL PROPERTY RIGHTS

18.1 The results and final or partial products, resulting and deriving from the activities carried out by the Supplier in the execution of Orders and/or Supply Contracts, made according to specifications provided by the Purchaser will be the exclusive property of the Purchaser, together with all the intellectual property rights relating to this information, without limitation of time or territory, and this does not give the Supplier right to any further compensation above and beyond the compensation agreed to in Order and/or Supply Contract.

18.2 The Supplier guarantees the ownership or the right of use for the information, drawings, and the content of the documents and the processes used for the production and supply of the product. The Supplier guarantees the non-existence of any patent or constraints that may prevent the production and sale of the product.

19. TRADEMARKS

The Supplier shall not modify, alter, obscure, remove or otherwise interfere with any trademark, service mark, branding, written mark, figurative trademark or other distinctive mark, affixed to the supplies, except at the express request of the Purchaser. The Supplier undertakes not to attach or apply any of its own trademarks, branding, service marks, figurative trade marks, written marks, or other distinctive signs on products supplied to the Purchaser in accordance with the Purchaser's special specifications, without first obtaining express written consent from the Purchaser. It is agreed that the violation of this article will authorize the Purchaser to refuse the Supply, to terminate the relevant Order and/or Supply Contract and obtain compensation for the damages suffered.

20. INVOICING AND PAYMENTS

20.1. Invoices issued by the Supplier must be sent to the Purchaser, in digital format, at the following email address: fatture.fornitori@alfazero.com. Invoices not received by the tenth day of the month following the date of Transport Document will undergo a 30 (thirty) day shift of payment. It must be noted that in the case of an invoice delay for a regular payment with an August 31st or December 31st annual deadline the payment will be postponed to September 15th and January 15th respectively.

20.2 Payments will be made as specified in the Order.

20.3 The prices indicated on the Purchase Order must be considered fixed and agreed to by the Parties, and inclusive of packaging; therefore price changes based on subsequent increases in cost are excluded, except as otherwise specifically negotiated and agreed.

21. RESOLUTION OF SUPPLY CONTRACTS

In case of failure to fulfill the Supply or improper contract fulfillment by the Supplier, the Purchaser may resolve the contract within fifteen (15) days of receipt of the Supply, by notice to comply, sent to the Supplier. If, within this period, the Supplier has not remedied the situation, totally



or partially, without prejudice to the subsequent automatic termination of the Supply Contract, the Purchaser shall be entitled, without the need for legal action, to retain, as an advance on damage compensation arising from the failure to fulfill, the sums due to the Supplier, even sums due for supplies other than the non-executed or incorrectly executed Order; the Supplier waives his right to ask for any exception in this regard now and forever.

22. WITHDRAWAL

22.1 The Purchaser reserves the right to withdraw from the Supply Orders and/or Contracts that have not been completely fulfilled by the Supplier, at its own discretion and without any compensation or damage payments, if one of the following situations occur:

- a) sale, by the Supplier, of the Supplier company or sale of the branch of the Supplier company that is involved or any way obligated to the Purchaser by virtue of the Orders and/or Contracts of Supply;
- b) liquidation of the supplier;
- c) Supplier's bankruptcy filing or involvement in insolvency or liquidation procedures of any type. The Supplier shall inform the Purchaser by registered mail the occurrence of any of the above situations, within fifteen (15) days from the date of the event.

22.2 The Purchaser may exercise the right of withdrawal referred to in this article, by notifying the Supplier by registered mail, anticipated by fax or e-mail, within thirty (30) days of receipt of the registered letter referred to in the previous paragraph; in this case it will be the date of the fax or email that will establish the withdrawal date. The withdrawal will take effect immediately, unless otherwise agreed upon by the Purchaser and the Supplier for the completion of deliveries that are incomplete.

23. CASH FLOW TRACEABILITY

Where required by the nature of the contract, the Parties are fully committed to complying with the requirements of Article 3 of the Italian Law no. 136 of August 13, 2010 and subsequent amendments, whereby the Parties and their suppliers at any level must track and record financial flows associated with the performance of a procurement contract awarded to Buyer by the Italian Government or its agencies.

In particular, the Supplier, in acknowledgement of the above statutory requirements shall:

- a) use methods of payment which ensure full traceability of all financial movements under any applicable Order;
- b) ensure that any contract or purchase order placed on its subcontractors for the performance of Orders issued in accordance with these

General Conditions includes appropriate provisions flowing down obligations which are equivalent to those imposed herein on the Supplier;

- c) maintain records of all financial movements relevant to this Order; and
- d) procure that all those involved in the performance of this Order, including subcontractors on the supply chain, are made aware of the obligations and requirements set forth in this Article.

Operational details for the effect of this Article are contained on the front of this Order as long as this Article is applicable to the transaction in question.

The Buyer reserves the right to request the Supplier, at any time, even by fax or by e-mail, to provide the documentation proving the fulfilment of the obligations set forth in the Italian Law 136/2010.

In the event of default by the Supplier of the obligations under Law 136/2010, without prejudice of the penalties provided by the Law, the

Buyer may suspend any payment to the Supplier, without prejudice of the right to terminate the Order and require the payment of damages.

24. GOVERNING LAW AND JURISDICTION

24.1 Relationship between Purchaser and Supplier and all documents with contractual value shall be governed and construed according to the laws of Italy.

24.2 Any dispute concerning the interpretation, execution and/or termination of these GTC, the Orders issued by the Purchaser and/or Supply Contracts shall be referred to the exclusive jurisdiction of the Courts of Florence.

Read, confirmed and signed in _____ on _____

The Purchaser *The Supplier*

The Supplier declares that it specifically approves, pursuant to Civil Code articles 1341 and 1342, the following clauses: 2 (Contractual Sources), 3 (applicability), 5 (delivery), 9 (product quality and acceptance), 11 (warranty), 12 (continuity over time) 13 (confidentiality), 14 (safety) 16 (liabilities), 18 (industrial property rights), 19 (trademark), 20 (invoicing and payments) 21 (resolution of Supply Contracts) 22 (withdrawal) 23 (cash flow traceability) and 24 (governing law and jurisdiction).

Date: _____ The Supplier
