

# General Conditions of Purchase

**Tratter Engineering GmbH**  
Waltraud Gebert-Deeg Str. 10  
I – 39100 Bozen  
VAT No.: IT01674780216

(hereinafter referred to as „Tratter“)

## 1. Scope of application

1.1 These General Conditions of Purchase shall be applied, unless otherwise explicitly agreed in writing between the contracting parties.

1.2 The following supply conditions shall also be applied, where expedient, to services

1.3 These general conditions of purchase shall apply to all orders sent in writing or electronically by Tratter and shall be considered as being an integral part of the agreement.

1.4 Our general conditions of purchase shall also apply to any future commercial activities that might be executed with the supplier.

## 2. Implementation of the contractual conditions – written form

2.1. An agreement shall be considered to have been entered into, when the supplier sends his written confirmation of the order and if the order is not provably rejected, within ten days, by Tratter.

2.2 Any amendments and additions to the agreement require Tratter's written confirmation for the purposes of their validity. The supplier's purchase conditions shall only be binding upon Tratter if acknowledged separately by Tratter.

2.3 Should any import and/or export licences, currency authorisations or similar approval be required for the agreement to be performed, the party responsible for the purchase shall undertake to adopt all the necessary measures possible to obtain the required licences or authorisations in good time. Communications must be drawn up in writing to be in compliance with commercial customs.

2.4 The delivery orders envisaged by the supply programme, on the basis of supply framework/programme agreements, shall be considered valid when received by the supplier. If the supplier is unable to satisfy an order with reference to the quantity or delivery terms, he shall undertake to inform Tratter in writing, within 24 hours from having received the order, indicating the earliest delivery terms possible.

2.5 The orders, supply requests, entering into agreements, as well as the relative amendments and additions must be drawn up in writing. Within the scope of commercial practices, the written form is satisfied by data transfer, e-mail or fax.

## 3. Contractual amendments

3.1 Within the scope of contractual acceptability for the supplier, Tratter shall be entitled to request, at any time whatsoever, any amendments to the volume and performance of the

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object of the supply. Furthermore, the effects must be expediently regulated, in particular, with reference to the higher or lower costs incurred, as well as the terms of supply. The supplier shall undertake to immediately justify the effects of said amendment to the prices or terms of delivery, through the most expedient documentation. The supplier shall document the price and terms of delivery effects of said amendments.

3.2 The supplier shall not be entitled to change the object of the supply without Tratter's prior, written authorisation to do so; in particular, he shall not be entitled to exchange materials, change the place of manufacture, the machinery or the specifications of the object of the supply.

3.3 The supplier shall be entitled to change the object of the supply, if it is required, to satisfy technical requirements. The effects on the prices and terms of supply shall be described, in writing, in his proposal. Said amendment, proposed by the supplier, shall only become effective when Tratter has explicitly approved the same, in writing, even with reference to the prices and terms of supply.

3.4 The supplier shall undertake the liability of understanding and abiding by the technical documentation (drawings, CAD data and specifications) and the technical specifications. In the case of any doubts whatsoever, the supplier shall undertake to refer to the competent Tratter personnel. It is expected that the supplier shall find an explanation for all outstanding issues, already during the products' design phase. All the amendments made to the technical specifications shall require Tratter's prior, written authorisation. No verbal agreements shall be admitted. In the case of an amendment made without prior authorisation, the supplier shall undertake to reimburse Tratter for the resulting damages.

### **4. Supplies – terms of delivery**

4.1 The quantities and delivery terms shall only and exclusively be specified in the orders or supply requests. The supplier shall undertake to guarantee the volumes requested, in order to be able to comply with the order quantities or supply requests. Within the scope of the supply requests, Tratter shall grant the supplier in the delivery schedule plan a clearance to produce finished parts and a further clearance to supply raw material. Usually, terms of supply shall be considered as being non-binding forecast values. It being understood that further production clearances shall be made in writing and the period shall be expediently extended. Tratter shall not be obliged to purchase any finished parts that exceed the terms established for the production clearances, as well as for the material that exceeds the clearance terms. Tratter shall be entitled to adjust its requirements to meet the terms of delivery and quantities, which were not yet binding considering the above mentioned time lapse.

4.2 The terms and due dates agreed shall be binding and essential for the Supply Agreement's performance. The arrival of the goods, care off the goods' reception office, is decisive for compliance with the terms of delivery or the delivery due date, which shall be indicated in the supply order/request.

4.3 Tratter shall not undertake to accept any goods which are delivered prior to the delivery terms. The risks of the goods' deterioration, delivered prior to the delivery terms, shall be undertaken by the supplier. An early supply shall not lead to any advance due date. Tratter shall be entitled to return excess supplies, at the supplier's expense; the supplier shall undertake to sustain all the packaging, working, sorting and transport costs.

4.4 If the supplier foresees any difficulties with reference to production, the supply of raw materials, compliance with the terms of delivery or similar conditions, which might hinder the timely supply or prejudice the quality of the goods agreed, the Tratter Purchase Office must be contacted immediately.

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4.5 It shall not be possible to make any partial supplies and only complete ones shall be carried out, unless Tratter does explicitly approve of said partial supply. In the case in which partial supplies are agreed, the supplier shall list the remaining quantities of the parts that have still to be supplied.

4.6 In the case of any amendments made to the production series and the passage – which takes place further to said amendments, new materials and components – the supplier shall undertake to inform Tratter about any surpluses, by and no later than one week from said passage being made.

4.7 The supplier shall undertake to guarantee, even during the company's holidays, to make deliveries to Tratter or for Tratter.

4.8 In no case and for no reason whatsoever shall the supplier be entitled to suspend supplies. Even in the case of any disputes arising with reference to the quality, quantity, prices and payment, the supplier shall not be entitled to stop the supplies.

4.9 The supplier shall undertake to introduce and maintain an efficient storage and transfer system concerning all the raw materials, components, assembled items, unfinished and finished goods, pursuant to the FIFO (first in, first out) principle.

4.10 The physical prototypes must be prepared separately and must always be delivered with a separate delivery note. The latter shall clearly indicate the wording "PPAP Sample". The prototypes, together with the VDA-PPAP (the initial sampling test report) and the relative documentation, must be delivered to the place indicated in the order. If said PPAP initial sampling test report is sent beforehand to the order address, it must be explicitly indicated on the supply documents.

4.11 The labels for the goods must be applied in compliance with the working instructions supplied. In the case of external producers, after work has been completed, a new label relative to the actual state of work must be stuck to the label that is already present.

### **5. Delays in delivery**

5.1 The supplier shall undertake to compensate Tratter for any damages incurred consequent to delays in delivery.

5.2 If the supplier is late in providing the supplies, Tratter shall be entitled to claim performance by establishing further appropriate terms or declare his wish to terminate the agreement. In both cases, Tratter is entitled claim arrears/penalty equivalent to 2% of the order volume for each day's delay, up to a maximum of 10% of the entire order volume. In addition, Tratter is entitled to claim damages which go beyond the above set arrears/penalty.

5.3 If the subsequent terms envisaged in Article 5.2 are not complied with, due to blame attributable to the supplier, Tratter shall be entitled to terminate the agreement in writing, with reference to the goods that have not yet been supplied. The same may be done in relation to the goods that have already, effectively, been delivered, which cannot be used correctly without the not yet delivered goods. In this case, Tratter shall be entitled to the return of the payments made for the goods that have not been delivered or which cannot be used. Furthermore, should the delay in delivery be attributable to the supplier's gross negligence, Tratter shall be entitled to compensation of the justified costs that it had to sustain until termination of the agreement and which can no longer be recovered. The goods already supplied, and which cannot be used, shall be returned to the supplier by Tratter.

## **6. Shipment - Packaging - Risks during transport - transfer of ownership - Application of Incoterms**

6.1 Alle Waren müssen ordnungsgemäß verpackt, gekennzeichnet und unter Beachtung handelsüblicher Sorgfalt versandt werden. Die mitgeteilten Bestimmungen von Tratter sind wesentlicher Vertragsbestandteil und vom Lieferanten zu beachten und strikt einzuhalten.

6.2 Den Lieferungen sind immer die vorgeschriebenen Warenbegleitpapiere beizufügen. Auf die Regelungen von Tratter wird verwiesen. Tratter akzeptiert keine Lieferungen, denen keine Warenbegleitpapiere entsprechend den Vorschriften beiliegen.

6.3 Der Lieferant ist verpflichtet, einen so genannten Ursprungsnachweis der Liefergegenstände zu führen (Langzeitlieferantenerklärung), d. h. der Lieferant muss Tratter sowohl die benötigte Erklärung über den Handels- und Präferenzrechtlichen Ursprung der Ware rechtzeitig zuleiten, als auch einen Ursprungswechsel unverzüglich unaufgefordert anzeigen. Ebenfalls hat der Lieferant seine Angaben zum Warenursprung mittels eines von seiner Zollstelle bestätigten Auskunftsblasses nachzuweisen. Kommt der Lieferant dieser Pflicht nicht nach, haftet er für alle daraus entstehenden Schäden.

6.4 Falls der Lieferant die nicht rechtzeitige Übergabe der oben aufgeführten Dokumente, Liege- oder Lagerzeiten verursacht, werden dem Lieferanten alle entsprechenden Kosten und Aufwendungen in Rechnung gestellt.

6.5 Vorhandene und/oder beigefügte Kennzeichen über Eigenschaften, Beschaffenheit, Haltbarkeit, Bezeichnungen, Beschreibungen, Begleitpapiere, Gebrauchs- und Montageanweisungen sind inhaltlich richtig, rechtlich einwandfrei, vollständig und verständlich abzufassen.

6.6 Wenn der Lieferant nicht die vorgeschriebene und freigegebene Verpackungsart verwendet, behält sich Tratter vor, ihm die hierdurch entstehenden Zusatzkosten in Rechnung zu stellen. Der Wechsel von einer Standardverpackung zu einer Alternativverpackung muss von Tratter zuvor genehmigt werden. Vor Verwendung einer anderen Verpackung muss deren Art und Fassungsvermögen vereinbart werden. Der Lieferant ist verpflichtet, die Verpackungs- und Kennzeichnungsprozesse so weit zu überprüfen und zu kontrollieren, wie dies erforderlich ist, um die Konformität mit den vorgegebenen Anforderungen sicherzustellen.

6.7 Das Eigentum an den Waren und die Gefahr des zufälligen Untergangs gehen in dem Zeitpunkt und dem Lieferort über, der im Liefervertrag bestimmt ist.

6.8 Gefahrenübergang: Die Ware gilt als „geliefert Zoll bezahlt- delivered duty paid“ (DDP) verkauft.

6.9 Im Übrigen gelten die INCOTERMS in der am Tage des Vertragsabschlusses gültigen Fassung.

6.10 Nach getätigter Anzahlung geht das Rohmaterial (Stahl, Aluminium, Produktionsmaterial, etc.) in Tratter Eigentum über.

## **7. Price and terms of payment**

7.1 The prices agreed are fixed, unless agreed otherwise, inclusive of packaging, transportation and insurance and net of VAT.

7.2 The payment of components, painting, chrome plating, transport, service, etc. shall be made when Tratter received verifiable invoices and will be made 90 (ninety) days starting at the end of the month from receipt of invoice. The terms of payment shall be agreed in writing

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between the supplier and Tratter. In the case in which early supplies are accepted, the due dates shall refer to the delivery terms agreed.

7.3 A supplier's original invoice must contain the obligatory data as foreseen by the law. Besides this, the conditions of payment and banking coordinates must be set forth in all the invoices. The invoice must be completely correct, issued in its original form and sent to [amministrazione@trattereng.com](mailto:amministrazione@trattereng.com).

7.4 Any breach by the supplier concerning the obligation to issue invoices, pursuant to the provisions, which leads to delays and/or additional working costs, shall make the supplier held liable for the consequences.

7.5 The delayed receipt of the invoices or goods and the supply of faulty goods shall authorise Tratter to withhold the relative payments.

7.6 Tratter shall be entitled to compensation and retention rights in the amounts foreseen by law.

7.7 The sender, shipping address, Tratter article description, Tratter article number, Tratter order number, delivery quantity, Tratter contact persone/technician are to be specified on every delivery note/invoice.

7.8 Group invoicing clause:

Tratter has the right to offset with and against due and non-due, as well as future claims that are due to Tratter or companies of the Tratter Group against the supplier, respectively which the supplier has against one of the companies designated. On request, the supplier will be informed about the status of the investments and Tratter participations.

The supplier agrees that all securities offered to Tratter shall also serve to secure the accounts receivable due to the aforementioned companies from the supplier. Conversely, all securities which the supplier has offered to these companies shall also serve to secure the Tratters' accounts receivable due from the supplier – irrespective of the legal foundation on which they are based.

7.9 Project group transfer of projects/orders/contracts:

In order to optimize Tratter group resources, Tratter is entitled to transfer projects/orders/contracts intragroup.

On request, the supplier will be informed about the status of the investments and Tratter participations.

## **8. Quality – Goods `entry inspections – complaints due to defects – inspection rights**

8.1 The supplier shall undertake to supply the goods without any defects whatsoever.

8.2 Tratter's "Quality Control Agreement" (Qualitätssicherungsvereinbarung) shall be an integral part of the agreement and shall be strictly complied with by the supplier.

## **9. Out of series production – Spare parts**

9.1 The supplier shall undertake to inform Tratter by and no later than a week after the official end of production (EOP), concerning all the materials and components surpluses. Tratter shall not accept any notification made late and this delay shall be charged to the supplier.

9.2 The supplier shall undertake to guarantee the spare parts requirements for a period of, at least, fifteen years from the official end of production of the individual components that make up the object of the Supply Agreement. The spare parts must satisfy the same requirements concerning the conformity and quality of the series produced items.

9.3 The supplier shall undertake to agree upon the same contractual regulations with its suppliers and have them complied with.

### 10. Warranty

10.1 The supplier hereby warrants that all the goods are in compliance with the specifications, designs and descriptions, that they are free from faults of any kind, that they are working and free from any defects. The supplier, who has been informed by Tratter about the use foreseen for the goods, shall undertake to warrant that the goods are suitable for the aforementioned purposes and have been properly designed.

10.2 If the goods are defected, Tratter is entitled to either:

- a) before beginning production (working or assembly), Tratter shall be entitled to give the supplier the possibility of sorting the goods and eliminating the faults or providing a replacement supply, unless Tratter does not retain that the degree of faultiness is acceptable. In the case in which the supplier is unable to provide for said request or cannot immediately satisfy the request to eliminate the faults, Tratter shall be entitled to terminate the agreement without establishing a further due date and/or return the goods at suppliers risk to the supplier. In the case in which the terms cannot be extended, Tratter shall be entitled to directly take action to eliminate the faults, further to reaching an agreement with the supplier or shall be entitled to appoint a third party to do so. Therefore, the costs incurred by the latter solution shall be charged to the supplier. If the same, faulty goods should be repeatedly supplied, Tratter shall be entitled – after sending a written notice – to cancel the remaining part of the supply that has still to be delivered, in case faults in the replacement supply reoccur.
- b) in the case in which the fault is only discovered after the beginning of production, Tratter shall be entitled to request the restoration or reimbursement of all the costs and expenses required by the restoration such as the costs incurred for transport, processing, materials, assembly and stripping down.
- c) in the case in which the supplier breaches any obligations, which go beyond the supply of faulty goods, Tratter shall be entitled to request the reimbursement of the damages incurred, consequent to said defects. The damages generated by the faults shall correspond to the damages that Tratter has sustained directly because of the faulty goods, due to other legal causes, besides the goods supplied.

10.3 Tratter shall be entitled to enter into agreements with the final client concerning the liquidation of damages and forfeiting the costs incurred to exchange of goods or compensation of the damages. The supplier shall undertake to compensate the damages claimed by Tratter and the relative costs, as long as they can be attributed to the faulty supply. The agreements entered into between the final clients and Tratter shall be valid for the analysis incurred and to establish the quota incurred by the acknowledgement and definition of the costs. To reduce the costs incurred by re-delivering the parts and analysis of all the faulty parts, on a global scale, and in case of liability for the faults inherent in the part, sampling of the faulty parts shall be carried out. The quantities that have been found to be effectively faulty by Tratter or the vehicles' producer, shall be considered as being valid, in place of those that have been calculated after sampling. The supplier shall undertake to sustain the expense incurred that has been charged to Tratter and caused by the supplier.

10.4 In the case in which the goods have already been assembled or supplied by Tratter to its client and said faulty goods have been submitted to the final purchaser without the client having carried out any inspections, the supplier shall undertake to acknowledge that an Tratter's client or a third party appointed by Tratter discovered the fault, even if the faulty goods have not been exhibited to the supplier.

10.5 The warranty period shall be (1) thirty-six months for the vehicles destined to all markets (except for the North American one) and (2) forty-eight months for vehicles destined for the

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North American market (the USA, Canada and Mexico), every time, after the vehicle's first registration, on which the goods or part of the same have been assembled. However, in the case in which Tratter should grant its client a longer warranty period, or a shorter one, the warranty period as agreed shall be valid, but cannot in any case exceed sixty months from the vehicle's production date.

10.6 Tratter's rights, as agreed in this article, shall be applied in addition to all other legal rights or those which have been contractually foreseen.

### **11. Product liability - Exoneration – Civil Liability Insurance**

11.1 The fact that the supplier shall be held liable for any damage to the products being understood, he shall undertake, with reference thereto, to holding Tratter harmless from any demands for compensation of damages from third parties, on first request, if the reason for this fall into the scope of his competences and relative organisational area and if he can be held directly liable in relations with third parties.

11.2 Within the scope of being liable for damages, pursuant to the first sentence, the supplier shall undertake to reimburse any expenses which have been incurred by or are in relation to recall action authorised by Tratter or the final client.

11.3 The supplier shall also be held liable for his representatives or sub-suppliers, in the degree in which he shall answer directly for their conduct.

11.4 The supplier shall undertake to underwrite insurance cover, in particular, manufacturer's civil liability, obligatory, corporate civil liability insurance and insurance against product recall, in relation to the obligations derived from the Supply Agreement. The supplier shall undertake to submit Tratter the corresponding insurance certification by and no later than seven days from having executed the agreement.

### **12. Schutzrechte**

12.1 The supplier shall be held liable for the rights resulting from the contractual use of the goods, breach of industrial property rights and non-presentation of the declaration concerning industrial property rights.

12.2 The supplier shall exonerate Tratter and all its purchasers from all claims derived from breach of the industrial property rights and non-presentation of the declaration concerning industrial property rights. This shall include all the damages, claims and rights derived from the effective or declared breach of the industrial property rights or the non-presentation declaration concerning industrial property rights, through the sale, marketing, production, disposal, offer for sale or the use of the goods supplied, including the costs incurred in asserting a right.

12.3 This shall not apply, in the case in which the supplier has produced the goods in compliance with the drawings and models sent by Tratter, or on the basis of other descriptions or indications equivalent to those provided by Tratter and was not aware or could not have known that industrial property rights would have been breached, in relation to the products he developed.

12.4 The contractual partners shall undertake to immediately provide information in relation to any risk of breach or presumed case of breach coming to their knowledge and shall be entitled to raise objections, in mutual agreement, against the corresponding claims.

12.5 The supplier shall immediately inform Tratter about the use of its industrial property rights and the declaration of industrial property rights on the goods, his own, or under license, those which have been published and those which have not.



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12.6 Unless it has been specified otherwise in the Supply Agreement, all the designs, models and specifications, as well as all the information developed by the supplier and sent to Tratter, shall become Tratter's exclusive property, which it shall be entitled to use and be valid throughout the world, exclusive and assignable. The cost incurred by assignment of the rights and respectively the right to use shall be foreseen in the supply price. Therefore, Tratter shall freely provide the entire documentation and all the information, respectively with reference to the exclusive right use, on transfer of title.

12.7 Tratter shall reserve copyright in the degree in which the purchaser provides the supplier with re-productions, drawings, calculations, data, performance descriptions, specifications and other documents; third parties shall not be entitled to access said information without Tratter explicit, written authorisation to do so. The information must only and exclusively be used for mass production and/or working of Tratter's orders. At the end of the Supply Agreement, the information must be returned, without any reserves, to Tratter. The information must be kept concealed from third parties.

12.8 If the supplier's industrial property rights should be requested for the use of goods by Tratter and/or its purchasers, the supplier shall undertake to grant Tratter and its purchasers the licence, valid throughout the world, irrevocable and free of charge, for complete use of the goods, sales, marketing, disposals, offers for sale, possessions, repairs, productions or re-productions of goods.

### 13. Ordinary Termination

13.1 Tratter shall be entitled to terminate the Supply Agreements or parts of the same, at any time whatsoever and without having to provide any reasons whatsoever, by means of a letter sent by recorded delivery to the supplier with term of notice of three months. In the case of termination, Tratter shall undertake to reimburse the supplier the following amounts:

- a) the price agreed for the goods that have not yet been paid and have already been supplied, exempt from faults;
  - b) the price agreed for all the finished goods that have been produced in compliance with the Supply Agreement, and which have not yet been supplied to the purchaser;
  - c) the products' direct costs and the unfinished raw materials, which the supplier has sustained to prepare the goods, in compliance with the Supply Agreement, as long as said costs are reasonable, however, net of the value of the products and the unfinished raw materials, which the supplier had subsequently used or sold, further to the purchaser's authorisation to do so.
- In the case in which a situation arises, such as the one related in Article 13.1 a), b) or c), the supply of the goods and raw materials must be undertaken upon Tratter's request.

13.2 Tratter shall not undertake, in any case whatsoever, to pay for the finished goods, products or unfinished raw materials, which exceed the quantities ordered or Tratter's obligation to collect them, in compliance with Article 4.1 of these General Conditions of Purchase. Tratter shall not even have to reimburse those goods or materials that fall into the supplier customary stock and which can be easily sold.

13.3 This right of termination shall apply, in addition, to all Tratter's other rights to terminate a Supply Agreement early.

13.4 The supplier shall be authorised to terminate any supply agreements or part of the same, at any time whatsoever, and without providing any justification, merely by sending a written declaration sent by recorded delivery to Tratter, with a twelve month term of notice. In the case of non-compliance with the aforementioned termination terms, the supplier shall undertake all the transport costs incurred (for tools, documentation, etc.).

13.5 In the case of termination by the supplier of the framework, supply and/or project agreements, the supplier shall undertake to promptly compensate Tratter the development



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costs, project acceptance and the expenses sustained due to the project's termination and movement. That which has been set forth foregoing hereto shall also apply in the case of Tratter's termination, due to objective reasons (pursuant to Article 15 of these general purchase conditions).

### 14. Extraordinary termination

14.1 Tratter shall be entitled to completely or partially terminate the Supply Agreement, for extraordinary reasons, through notice sent to the supplier by recorded delivery, within the terms of an expedient due date, without the latter being entitled to receive any payment in compensation thereof, on the basis of Article 13, in the case in which:

- a) the supplier has breached a fundamental obligation in the Supply Agreement and has not remedied the same within fourteen days;
- b) the supplier should become insolvent, file a petition for bankruptcy or the company has been wound-up or a receiver has been appointed;
- c) there has been a considerable change in the ownership relations in the supplier's company, on the basis of which it is no longer possible to continue the Tratter Supply Agreement; this occurs, in particular, in the case in which one of Tratter's direct competitors has or acquires shares in the supplier's company;
- d) the supplier, or the personnel employed by the supplier, have committed any crimes or administrative infringements, which concern unfair competition or corruption, in relation to the commercial relationship in force with Tratter or the relative purchaser and, in particular, if they have committed financial crimes such as fraud or abuse of power, bankruptcy crimes, cartel right infringements, of all kinds, and corruption, such as subornation, the granting of privileges, payment or acceptance of bribes.

14.2 The supplier shall undertake to continue the Supply Agreement, in the degree requested, as long as the latter has not been terminated.

14.3 Tratter's right to termination for extraordinary reasons also exists in addition to any other legal right or which have been foreseen in an agreement, or the right to early terminate the Supply Agreement, completely or partially.

### 15. Force majeure

15.1 Force majeure, strikes, rioting, administrative security measures and any, other unforeseeable, unavoidable and serious events shall exonerate the contractual partners, for the duration of the problem and the entity of its effects, from providing the obligations contractually undertaken. This shall be valid even in the case in which said events take place at a time when the contractual partner involved is behind with the supplies. The contractual partner shall reasonably undertake to immediately supply the information requested and adjust their obligations to the amended conditions, in all good faith.

15.2 During the delay or non-performance of the supplier's undertakings, Tratter shall be entitled, in compliance with the circumstances set forth in Article 15.1, to:

- a) purchase the replacement goods from other sources, therefore, the quantities ordered shall be reduced on the basis of the number of replacement goods;
- b) invite the supplier to supply the replacement goods from other sources available, in the quantities and within the terms of delivery, which Tratter shall establish in advance, at the prices established in the Supply Agreement.

If the delay should exceed thirty days, Tratter shall be entitled to terminate the agreement, without any liabilities whatsoever, with reference to the supplier or without any obligation to purchase the raw materials, unfinished and finished goods, in compliance with Article 13.1 and 4.1 of these General Conditions of Purchase.

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### 16. Sub-suppliers – Factoring forbidden – Set off

16.1 The supplier shall only be entitled to appoint sub-suppliers when he has received Tratter's explicit prior written authorisation to do so. Even any eventual change in sub-suppliers may only take place further to Tratter's explicit prior written authorisation to do so.

16.2 The appointment of a sub-supplier, after the granting of a mandate and/or the entering into of an agreement, or the change of a sub-supplier, shall require a new initial sampling of the goods by Tratter. The costs incurred by the same shall be charged to the supplier. If Tratter's quality requirements are satisfied, it cannot unjustifiably deny its authorisation to grant the appointment of a sub-supplier or its replacement.

16.3 The supplier shall not be able to factor credits derived from the Supply Agreement.

16.4 The supplier shall only be entitled to set off those credits that have not been contested or which are legally valid.

### 17. General provisions

17.1 If a provision contained in these general conditions of purchase should be cancelled, or is retained to be invalid or cannot be implemented, then it must be replaced by an effective provision or one that can be implemented, which is as close in meaning as possible to the cancelled or invalid provision or the one which cannot be implemented. The remaining purchase provisions shall, in any case, remain totally in force and valid.

17.2 If, at any time whatsoever, one of the Parties does not request the other Party's compliance with one of the provisions set forth in the Supply Agreement, in this instance, the right to claim said compliance, at some time in the future, shall remain unvaried. The renunciation of one Party's to claim against any breach of the Supply Agreement shall not, furthermore, represent renunciation to the claim against a further breach of the same provision or any other provision.

17.3 All the amendments made must be drawn up in writing and must be executed by the supplier and Tratter, unless this has been established otherwise in the Supply Agreement. This shall also apply in the case of any amendment of the written form of this article.

17.4 In the event of any discrepancies between the German, the Italian, the English and/or other versions of the General Conditions of Purchase, the German version shall prevail.

### 18. Applicable law and place of jurisdiction

18.1 The law of the Italian Republic shall be applied to the Supply Agreement for its interpretation, validity and to settle any disputes. The provisions established in the United Nations Convention, with reference to contracts, the international purchase of goods (the UN purchase rights) and the relative rules on private international law legislative disputes shall be explicitly excluded, which would necessarily require the application of another law. The only court shall be the one located in Bolzano. In the case of legal proceedings brought by Tratter against the supplier; furthermore, Tratter may, at its own, unquestionable judgement, choose the jurisdiction of the place where the supplier's registered offices are located.

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Updated in: August 2018

Read, understood and agreed.

Bozen, on the \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_, on the \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
(Legally binding signature  
Tratter and stamp)

\_\_\_\_\_  
(Legally binding signature  
Supplier and stamp)

In accordance with and pursuant to articles 1341 and 1342 of the Italian Civil Code, the supplier declares to have understood and agrees with the provisions exposed in the following articles of the General Conditions of purchase, which are considered and agreed to be an integral part of the Contract. In particular:

4) Supplies – terms of delivery, 5) Delays in delivery, 7) Price and terms of payment, 10) Warranty  
11) Product liability - Exoneration – Civil Liability Insurance, 12) Industrial Property Rights, 13)  
Ordinary Termination, 14) Extraordinary termination, 18) Applicable law and place of jurisdiction

\_\_\_\_\_, on the \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
(Legally binding signature  
Supplier and stamp)