

GENERAL TERMS & CONDITIONS OF PURCHASE OF FRENER & REIFER SRL (JULY 2017 EDITION)

1) GENERAL PROVISIONS – SCOPE OF VALIDITY

These general terms & conditions of purchase (shortly hereinafter GTPGTP) shall apply in all cases unless the parties have agreed other provisions in writing in individual contracts. Written arrangements agreed in individual cases shall take precedence over the GTP. The purchase orders of F&R shall be issued solely based on the F&R purchase order form and the conditions set out below. Terms and conditions set out by the supplier shall not be acknowledged, nor shall these be binding on F&R even if they are not expressly rejected. The terms and conditions of the supplier shall only be included in the legal transaction if expressly accepted in writing by F&R. In all other cases, the GTP of F&R shall be deemed to have been accepted on the signing of the purchase order and/or on conclusion of contract at the latest. Business conventions and practices which conflict with the GTP shall not be binding on F&R.

2) QUOTATIONS – PURCHASE ORDERS – SAMPLES

2.1) Requests for quotations, advice, meetings and the preparation of quotations shall not incur costs or other obligations for F&R and shall not be binding on F&R in any way.

2.2) Quotations issued by the supplier shall be binding on the latter for at least one month from the date of issue.

2.3) Purchase orders placed by F&R shall only be binding when issued in writing.

2.4) A binding framework agreement shall form an advance and/or additional constituent part of the contract in case of orders for relatively high volumes or repeat orders.

2.5) The supplier shall be required to accept the purchase order issued by F&R and to confirm the order in writing within three days.

2.6) Discrepancies between the order confirmation and the purchase order text shall be deemed not to form part of the quote and shall only be valid upon being accepted and confirmed in writing by F&R.

2.7) F&R shall be provided free of charge with adequate quantities and sizes of the material samples requested with the inquiry or quotation for practical tests or product demonstrations to the client and to the latter's authorised representatives.

3) PERFORMANCE OBLIGATION

3.1) The supplier shall be required to check the order data, such as technical drawings, plans and specifications, including samples, for own account and on own authority, exercising due care and applying the following criteria: suitability of the material for the intended purpose; sufficiency and free from defects; technical feasibility/commercial viability; highest possible quality of workmanship; strength and durability of the materials used.

3.2) The scale of the performance obligation of the supplier shall be measured by the content of the signed purchase order and/or of documents provided on conclusion of contract in addition to the services specified in the purchase order or framework agreement.

3.3) All deliveries are to be carried out in compliance with the latest standards at the time of the delivery, with accepted commercial practice, with the applicable national legal norms and with EU law. The highest quality benchmark shall apply as a general principle.

3.4) If certain material properties or performance features are stipulated in structural engineering practice in written or unwritten rules, these shall be deemed to be contractual commitments. Only construction materials or building parts which are subject to quality control may be used. The supplier shall be required to provide evidence, without being asked, that the construction materials and building parts have the features required for quality control purposes and are suitable for the specified function (cf. also CE marking).

3.5) The properties of the goods supplied must comply with the purchase order and/or the framework agreement and all other contractual agreements. Otherwise the goods shall be rejected by F&R after checking. There may be no instances of non-compliance with the required properties unless the same are specified or agreed in advance in writing.

3.6) Receipt shall only be taken of the quantities or numbers of items ordered. Deliveries of lower or higher quantities/numbers of items shall be strictly subject to prior written arrangement. If partial deliveries have been agreed, the remaining quantity must be clearly stated on the delivery note.

3.7) Any goods delivered surplus to the amount specified on the purchase order form may be sent back to the supplier by F&R at the expense of the supplier. F&R shall not accept any liability for such goods, even if they have already been handed over to F&R.

3.8) Deliveries shall only be deemed to have been accepted by F&R if an employee or authorised representative of F&R has confirmed receipt of the goods by signing the shipping documents. The supplier shall be required to give evidence of this on request.

3.9) As a general principle, the supplier shall be required to carry out the order itself. Any delegation of the order or part thereof shall be strictly subject to obtaining written consent from F&R. If granted approval, the supplier shall remain responsible for the entire order and shall be jointly and severally liable for all services.

4) PRICES – TERMS OF PAYMENT

4.1) The prices forming the basis of the purchase order are fixed prices. This shall not, however, preclude alternative arrangements set out in writing in relation to any given project. The prices shall be binding until the performance obligation of the supplier has been met, irrespective of any interim increases in prices, e.g. of materials. Price increases of any kind shall not be accepted and are therefore excluded.

4.2) All prices shall be quoted DDP as per Incoterms 2010. Prices shall include all packaging costs, transport costs, insurance costs and all other delivery costs unless agreed otherwise in writing.

4.3) Statutory value added tax must be shown separately otherwise it shall be deemed to be included in the price.

4.4) Invoices can only be processed by F&R if they contain the purchase order number, purchase order date, supplier number and article number as stated in the purchase order and/or in the framework agreement; the supplier shall be liable for any consequences and costs arising from the failure to comply with this duty.

4.5) F&R assigns all payments in the middle of the month (on the 15th or on the following working day if this day falls on a Saturday, Sunday or public holiday) and on the last day of the month (or on the following working day if this day falls on a Saturday, Sunday or public holiday). F&R reserves the right to adjust the due dates of the accounts payable to suppliers to the aforementioned payment days (middle or end of the month) by moving them either to the immediately preceding or to the immediately following payment day.

4.6) Payment deadlines and payment arrangements, including any discounts, shall be specified in the terms of payment on the purchase order form. All deadlines, including such as relate to discounts granted, shall apply from receipt of the legally compliant invoices and of the full set of legally compliant documents relating thereto (e.g. delivery notes, export documents of these terms & conditions of purchase).

4.7) F&R shall be entitled to retain 10% of all payments on account as security unless performance security has been agreed and submitted by the supplier.

4.8) The supplier shall be required to make out invoices in compliance with the statutory regulations and legal ordinances in force within the EU, especially in respect of the value-added tax, or in compliance with arrangements between non-EU countries. If the invoice does not meet these

requirements, the invoice amount shall not be due for payment.

4.9) If the contractual goods are exported by the supplier directly to non-EU countries, the relevant export documents must be sent to F&R so that F&R in turn can provide evidence of the export of the goods. The respective invoice amount shall not be due for payment until F&R has been provided with all the aforementioned documents.

4.10) F&R shall have statutory rights of set-off and retention to the extent set out in the relevant legislation.

4.11) In case of problems with deliveries, F&R shall be entitled to retain payments until the situation has been resolved.

5) **DELIVERY TIME**

5.1) All the delivery dates stated in the purchase order shall be binding and relate to the time of arrival at the F&R premises or at a location agreed by the parties, e.g. construction site.

5.2) If no delivery deadline is specified, prompt delivery shall be deemed to have been agreed.

5.3) The supplier shall be required to give F&R immediate written notification of any impending delay or failure to meet the agreed deadlines, stating the reasons and the expected duration.

5.4) Partial deliveries and early deliveries shall be strictly subject to the express agreement of F&R. The payment shall not fall due, however, until the originally agreed delivery date at the earliest.

5.5) Should the supplier fall behind schedule with a delivery then the latter shall incur a contractual penalty of 0.1 % of the purchase price of the delayed products for each day of delay, capped at a maximum of 10 % of this purchase price. This shall not affect the statutory right to claim damages. The supplier shall be required to reimburse the following costs, amongst others: cost of additional trips (both by suppliers to F&R and by F&R to its customers); additional set-up costs in production; supplementary costs incurred by extra shifts; cost of production downtimes; cost of replacements/alterations; additional inspection costs and lost profit.

5.6) If a delivery or purchase order is not carried out within the contractual delivery time, F&R shall be entitled to instruct third parties to deliver the ordered goods and to pass the relevant charges and expenses on to the supplier, including higher prices where applicable.

6) **DISPATCH – PACKAGING – PASSAGE OF RISK – DOCUMENTS – PROOF OF ORIGIN – CE MARKING**

6.1) Unless agreed otherwise in writing, the delivery condition shall be "DDP" (F&R or construction site) as per Incoterms 2010.

6.2) The supplier shall be required to state the exact purchase order number, purchase order date, supplier number and the F&R article number on all the shipping documents, delivery notes and invoices. F&R shall not be liable for any delays in processing orders due to failure to supply the above information.

6.3) The supplier shall be required to mark its products according to type or system in compliance with the EU-wide regulation on CE marking or to enclose the necessary written evidence – declaration of compliance or EC certificate of compliance – with the shipping documents.

6.4) The supplier shall be required to arrange suitable transport so that the goods will not sustain damage in transit or transport-related defects and can be duly accepted by F&R at the agreed goods receipt location. The correct and proper packaging materials must be used. The supplier shall be fully liable for any damage sustained due to poor packaging, including for all incidental costs associated with the damage. This shall also apply if the supplier uses the transport services of a third party.

6.5) The supplier shall be required to take back bulky packaging or large volumes of packaging free of charge or to bear the full costs of its disposal.

6.6) The supplier shall be required to insure the goods against damage of all kinds at its expense until the transfer of risk.

6.7) The risk shall pass from the supplier to F&R on handover of the goods at the business premises of F&R or on handover of the goods at another location agreed by the parties, e.g. the construction site.

6.8) All packaging materials shall be branded with F&R's logo. Logos from the supplier are not allowed and shall be removed accordingly.

7) **INSPECTION FOR DEFECTS – LIABILITY FOR DEFECTS**

7.1) The supplier shall be responsible under these terms & conditions of purchase, pursuant to the purchase order and/or framework agreement, according to any additional written contractual agreements and pursuant to the applicable statutory provisions, for all such defects existing at the time of the passage of risk/handover of goods to F&R, including those at a later date.

7.2) The term of liability and warranty for defects of the supplier shall extend to the term of liability and warranty for defects of F&R to the end consumer of the goods.

7.3) F&R shall be required to inspect the goods for non-conformities in quality and quantity within a reasonable period of time. The notification of defects shall be deemed to have been submitted in due time if received by the supplier within 30 working days of the passage of risk/handover or of discovery in the case of hidden defects.

7.4) In any case F&R shall be entitled to ask the supplier to choose whether to remedy the defect or deliver a new item or to terminate the contract.

7.5) The supplier shall be required to redress the situation immediately, either by rectifying the defect or delivering a new item. The supplier shall be required to bear all the expenses required for the supplementary performance, most notably the cost of transport, labour, packaging and materials. All rights to claim compensation, especially the right to claim damages in lieu of performance, shall be reserved. The supplementary performance shall be deemed to have failed after the first unsuccessful attempt.

7.6) F&R shall be entitled to rectify the defect itself or to arrange for third parties to rectify the defects in case of great urgency or imminent danger. F&R shall have the same right if the supplier is delayed in the process of rectifying the defects. The supplier shall be charged for any direct and indirect expenses and costs incurred in connection with this.

7.7) If F&R withdraws products which it has manufactured and/or sold due to imperfections with the item delivered by the supplier, or if F&R is forced to reduce the purchase price for this reason, or if any other claims are made against F&R in this regard, the supplier shall be required to release F&R from such liability and to indemnify and hold the company harmless against such claims. F&R reserves the right to recourse against the supplier, not requiring any time limit otherwise necessary for claims for defects asserted by F&R against the supplier.

7.8) The supplier shall be charged and invoiced directly for all direct and indirect expenses and costs borne by F&R as a consequence of the imperfection of the goods. This shall also apply in cases where the defects in the goods are noticed after leaving the F&R production plant and shall apply until the end of the contractual or statutory warranty period during which F&R is liable to the end consumer of the goods.

7.9) If a product defect should come to light within six months of the transfer of risk/handover, it shall be assumed that the defect was already present at the transfer of risk.

7.10) F&R reserves the right to claim damages.

7.11) The supplier undertakes to maintain insurance coverage for defects and product liability with appropriate cover for personal injury/property damage for the type of delivery. This shall not affect any further claims for damages to which F&R is entitled.

8) **WITHDRAWAL AND EXPRESS RESCISSION OF THE CONTRACT**

8.1) F&R may cancel the contract at any time without prior notice if one or more of the situations listed below should arise:

a. Opening of insolvency or bankruptcy proceedings against the supplier

b. Petition submitted by supplier for an out-of-court settlement or petition submitted by supplier for settlement proceedings

c. Death, prolonged disappearance or legal incapacity suffered by the supplier at a later date or cession of enterprise if the supplier is a sole trader

d. Closure, liquidation, cession, merger, informal change of corporate form of supplier if the latter is a company

e. Court proceedings against the supplier which could jeopardise or damage the image and reputation of F&R

8.2) Notwithstanding further entitlements and claims, F&R shall have the right to cancel the contract by registered post with response coupon at any time without prior notice if the supplier fails to fulfil one of the following obligations:

a) Breach of duty of confidentiality

b) Failure to meet the specified quality standards

c) Failure to adhere to the specified delivery times and delivery conditions

8.3) F&R shall be entitled to cancel the supply contract before expiry even without cause. The supplier must be given 30 days' notice of cancellation by registered letter. After exercising the right of cancellation, the supplier shall have no entitlement to compensation for cancellation of kind.

9) **LIABILITY FOR BREACH OF THIRD-PARTY PROPERTY RIGHTS**

9.1) The supplier shall be responsible for ensuring that no third-party property rights are infringed in connection with its delivery.

9.2) If claims are asserted against F&R in this regard for the infringement of third-party rights, the supplier shall be required to indemnify F&R from these claims on first written request. F&R shall not be entitled to make any arrangements with the third party, such as reaching a settlement, without the agreement of the supplier.

9.3) The supplier shall also be required to release F&R from any expenses and costs in connection with this.

10) **RESERVATION OF TITLE – OPERATING EQUIPMENT – CONFIDENTIALITY**

10.1) Diagrams, photographs, drawings, calculations, specifications, other documents and information are protected by copyright and are owned exclusively by F&R. They may not be made accessible to third parties without the express written consent of F&R. They are to be used solely for planning and/or production based on the purchase order of F&R. They are to be returned to F&R without further request after the purchase order has been processed.

10.2) The supplier further undertakes not to use or in any way publish either the name or title of a completed project or diagrams, photographs, film footage, videos, drawings or plans of the same in any form for any commercial use of its own, most notably for the purpose of advertising, without the express written consent of F&R. Should written consent be issued by F&R for such purposes then F&R must always be named as the building envelope construction contractor responsible for the project.

10.3) Operating equipment is the property of F&R. The supplier must only use the equipment belonging to F&R to make the goods ordered by F&R. The supplier shall also be required to take out and pay for insurance against fire, water damage and theft covering the replacement value of this equipment. At the same time the supplier hereby assigns to F&R all claims for compensation under this insurance policy. F&R hereby accepts the assignment. The supplier shall be required to carry out any servicing and inspection work which may be required on the F&R equipment and to carry out all maintenance and repair work in due time at its own expense. The supplier must notify F&R immediately of any breakdowns. Claims for damages shall remain unaffected if the supplier neglects this duty. The supplier further undertakes to store the operating equipment for at least 10 years at its expense. Once this term has expired, the supplier shall be required to write to F&R and obtain a decision on its further use. Use of this equipment of any kind shall be strictly subject to the written consent of F&R in any case and may be charged for.

10.4) The supplier undertakes to maintain strict confidentiality, even after termination of the contract, in respect of all diagrams, photographs, drawings, specifications, calculations, all documents, operational information, industrial and technological know-how of particular value and all other information, including of a commercial nature, relating to the products, processes, strategies and projects of F&R which is disclosed during the term of the contract or becomes otherwise known. The supplier undertakes to put all the necessary measures in place to guarantee the confidentiality of the information. The supplier shall be required to impose this duty on its employees and advisers and to forbid them from using the disclosed information without authorisation. The supplier may not disclose the information to third parties, especially subcontractors, unless expressly authorised to do so by F&R.

11) **CHOICE OF LAW – PLACE OF JURISDICTION**

13.1) The interpretation and implementation of these general terms & conditions of purchase and of all supply/purchase contracts between F&R and the suppliers shall be governed by Italian law and explicit exclusion of the United Nations Convention on Contracts for the International Sale of Goods adopted in Vienna on 11/04/1980.

13.2) Any dispute about the interpretation and/or performance of this contract shall be placed under the exclusive jurisdiction of the regional court in Bolzano (BZ), Italy.

Bressanone, 07.07.2017