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**SO.LA.IS.
SOCIETA' LAVORAZIONE ISOLANTI – S.R.L.**

GENERAL PURCHASING CONDITIONS

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1. Introduction and Definitions

1.1 The general purchasing conditions (GPC, hereinafter) herein apply to all Contracts undersigned by SO.LA.IS. SRL. (SOLAIS, hereinafter).

The GPC prevail over the conditions of sale of the Vendor (Vendor, hereinafter).

Should one or more provisions of these GPC be found to be invalid or inapplicable, this circumstance shall not be prejudicial to the validity and/or applicability of the remaining provisions of these GPC; each provision which is, in the event, found to be invalid or inapplicable may be replaced by new valid, applicable provision, the content of which shall as far as possible equivalent to the provision found to be invalid or inapplicable.

These GPC replace all previous negotiated settlements, agreements, commitments, declarations and understandings arrived at between SOLAIS and the Vendor, whether in written or unwritten form.

All waivers of General Conditions shall in each case only be valid if specifically approved in writing by SOLAIS.

1.2 Over and above the terms and expressions that are defined below in these GPC, the meanings of the terms and expressions with capital letters are given here. The plural and singular forms of these terms and expressions share the same meanings.

“**Contracts**” means all Contracts for Purchase of Goods and Service Provision Contracts.

“**Contracts for Purchase of Goods**” means all Contracts for Purchase of Goods on SOLAIS’s part stipulated as per these GPC.

“**Service Provision Contracts**” means all Service Provision Contracts regarding services for SOLAIS stipulated as per these GPC

“**Vendor**” means any supplier of goods or services provider.

“**Order**” means both Open Order and Closed Order.

“**Closed Order**” means an order made by SOLAIS to the Vendor the object of which is purchase of a given quantity of goods, or provision of given services, in accordance with the terms and conditions governing such an order or governing the corresponding Open Order.

“**Open Order**” means an order made by SOLAIS to the Vendor, the object of which is, as per the terms and conditions, applicable, in the event, for future Closed Orders

“**Technical Specifications**” means the technical specifications, standards, procedures and all other specific provisions that SOLAIS indicates to the Vendor from time to time.

“**Applicable Regulation**” means any legal regulatory or administrative provision, order, decree or judicial ruling currently in force or enforcement of which is foreseeable in those countries in which SOLAIS products are marketed, at the time of delivery to SOLAIS of a given Product that is the object of a Contract. Such measures are noted, as a consequence of ordinary care, insofar as the Vendor shall be or should have been aware of their existence.

“**Parties**”: SOLAIS and Vendor. The term Party (singular) refers to one of these two players.

“**Force Majeure Event**” means an unforeseeable event that cannot be controlled by a party, and which impedes the said party’s full performance of its obligations as set forth in a Contract, which event is not caused by negligence or intentional wrongdoing on the part of the non-performing party, such as: (a) strikes, labour disputes; (b) fire, earthquake, flooding, inundation; (c) uprisings, civil unrest, war, acts of terrorism; and (d) laws, orders, restrictions, orders or acts of the Government or of governmental authorities.

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2. Contractual documentation

The commercial relations between SOLAIS and the Vendor shall be set forth in the following contractual documentation (in descending order of importance):

- ✓ GPC of SOLAIS
- ✓ Purchase order issued by SOLAIS (hereinafter, “Order”) and, if applicable, the delivery programme.

In the event of incongruities among documents, the GPC are to prevail. Should doubts arise as to interpretation of the contractual documents, the Vendor must act in accordance with instructions issued by SOLAIS.

At the time of delivery, the Vendor must submit to SOLAIS all documentation that is required and sufficient for normal use of the goods, such as – merely by way of example, the list not being exhaustive – certificates relating to raw materials (3.1), declarations of conformity of the material, and any other document required as per Applicable Regulations.

3. Specific obligations of vendor

The Vendor’s professional qualifications render it fully aware of the needs and requisites of the motor industry, in particular as regards quality, costs and deadlines. The Vendor shall provide products/materials/moulds/machinery (hereinafter also referred to as Products) that conform with the standards and meet the exigencies typical for this sector, while conforming with laws, regulations and the Applicable Regulations relating to health, safety, environmental safeguards and workers’ rights, with specific reference to the countries in which the Products are manufactured. The Vendor shall indemnify SOLAIS in regard to any complaints arising out of a failure to comply with these provisions and shall undertake to bear all costs thus entailed, whether direct or indirect.

The Vendor shall deliver Products that conform with all documents governing relations between SOLAIS and the Vendor that regard supplies, which documents supplement these GPC, consisting in Technical Specifications, the list of requisites and so forth (“Documents”).

In order to maintain and permanently ensure competitiveness both in regard to the supply process and Products, the Vendor undertakes by agreement with SOLAIS to implement measures to augment productivity on an ongoing basis.

The Vendor guarantees that the Products are free of flaws of any nature and/or kind, such as lower their value and/or impede, or are adverse to, perfect functionality or safe use, or which render the Products unsuitable, even only in part, with respect to the planned use.

Acceptance of Orders automatically binds the Vendor, who must strictly comply with the terms of delivery for Closed Orders, or with the terms applying to the deliveries programme, sent by e-mail, fax or any other electronic means selected and agreed upon.

4. Requests for quotation (RFQ)

If the Vendor, following a request from SOLAIS, draws up a quotation (hereinafter Quotation), it shall strictly abide by and act in accordance with SOLAIS’s request and shall expressly notify SOLAIS in writing of any discrepancies that may obtain between SOLAIS’s request and the Technical Specifications relative to the material that is the subject of the RFQ. Any deviances from the technical requisites/specifications relative to the material to be delivered are to be expressly authorised in writing beforehand by SOLAIS.

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The Vendor undertakes to act in accordance with the Applicable Regulations and Technical Specifications (technical characteristics of the materials), applicable laws, rules and regulations issued by official authorities and the current state of the art. In the event that rules and regulations must be waived due to specific circumstances, the Vendor must obtain SOLAIS's prior approval. The Vendor's guarantee shall in any case not limit itself to such approval. All Documents and technical requisites confirmed by the Vendor must be exhaustive, consistent and feasible with respect to the state of the art. SOLAIS's acceptance of the material delivered does not signify approval of unauthorised deviances.

5. Purchase orders

On the basis of the requests of SOLAIS and of the Vendor's quotation prices provided in detail by way of a response to the said requests, SOLAIS may issue an Order for a given quantity of samples or a delivery for the purposes of testing the material and its Technical Specifications.

The Contract is considered as having been stipulated when SOLAIS receives a written notice from the Vendor of acceptance of a Closed Order (Confirmation of Order), or when the Vendor executes the Closed Order and/or Open Order.

Execution of a Closed Order and/or Open Order on the part of the Vendor in any case entails unconditional acceptance of the GPC and Technical Specifications that may be issued by SOLAIS.

Waivers of the provisions of a Closed Order and/or Open Order are valid only if specifically approved in writing by SOLAIS.

In the event of the Vendor's failure to attest to acceptance of a Closed Order and/or Open Order within three (3) days of receipt, the said Order is tacitly to be considered accepted by the Vendor. However, SOLAIS shall in any case have the faculty to revoke the Closed Order and/or Open Order during the following two days.

The article ordered is characterised by the technical requisites of SOLAIS, which are derived in particular from the:

- Technical Specifications and/or product specifications
- specifications regarding the material and/or a technical description, which may be transmitted by SOLAIS, by the Vendor or by the customer.

These specifications may be provided in detail in the orders transmitted to the Vendor. Alternatively, reference may be made merely to the specifications when these specifications have already been agreed upon and form a part of the RFQ addressed to the Vendor, or form a part of the sample provided by the Vendor.

The Order may be transmitted to the Vendor via e-mail or fax according to the needs of SOLAIS, and the said order may include specific planned details as to delivered quantity and term of delivery.

SOLAIS reserves the right to modify any Order as regards quantities of goods and/or delivery times. Where this occurs, the new Order as modified fully replaces the previous one. Supply of the quantities requested must therefore be in accordance with this latter order modified as specified above.

The Vendor may object to the modified Order only if the modification entails changes amounting to +/- 20% of planned yearly quantity and of the flexibility agreed upon.

The delivery terms indicated in the Order must be understood as specific calendar dates for receipt of the Products on SOLAIS's part, and must be strictly abided by on the part of the Vendor.

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Any modifications must be agreed upon beforehand and must be confirmed in writing by SOLAIS.

Flexibility (demand spikes)

In view of variability of the flow of orders from SOLAIS’s customers, the Vendor must take measures to ensure its own ability to deliver even in the event of short-term demand spikes and/or of delivery dates brought forward.

The quantities to be delivered, which are specified in the Order, are also to be ensured in the presence of demand spikes.

Acceptance limits (downturn in demand)

SOLAIS is entitled to lower the quantities requested, In the event of definitive termination of quantities requested (full or partial cancellation on the part of a SOLAIS customer), the following terms are applied:

- For the quantities requested, listed in the 'Order with a planned delivery date within 4 (four) weeks of the date of transmission of the Order, SOLAIS is obliged to accept delivery of the Products within 12 (twelve) months of the date of delivery originally indicated in the Order.
- For the quantities listed in the Order with planned delivery date beyond 4 (four) weeks of the date of transmission of the Order, SOLAIS shall not be obliged to accept delivery of the Products and is therefore shall not be obliged to make any payment over to the Vendor.

Safety stock

In order to meet flexibility requirements, in particular with regard to the situation in the short-term, and in order to guarantee the supply chain, the Vendor undertakes to at all times maintain an adequate safety stock of Products, based on reorganizing times and Order quantities.

6. Delivery and penalties

The Vendor must guarantee its own ability to produce the volumes agreed upon with SOLAIS and transmitted by the latter to the Vendor in writing, and must be able to provide information on its capacity at any time if requested to do so by SOLAIS.

The Products must arrive at the place of delivery at the times and according to the terms indicated in the Order.

By way of waiver of the provisions of art. 1510, comma (par.) 2, cod. civ. (Civil Code), the Vendor’s obligations as regard delivery do not finish when it transfers the Products to the carrier, without prejudice to agreements otherwise reached with the Vendor.

Penalties

In the event of delayed delivery, the Vendor shall be obliged to settle a penalty in accordance with article 1382 of the Civil Code for every day of delay in delivery following the date of delivery originally agreed upon. The penalty is set at 1% (one per cent) of the value of the Closed Order in question, without prejudice to any claim regarding greater damages (e.g. extra travelling time and work shifts, losses and penalties due from SOLAIS and/or from SOLAIS’s customers arising out of failure to perform in accordance with terms etc.). It is understood that the maximum penalty referred to here cannot exceed 10% (ten per cent) of the value of the Closed Order in question, without prejudice in any case to SOLAIS’s right to terminate the Contract in accordance with the terms of article 25 below. SOLAIS shall be

entitled to offset the sum of the penalty, wholly or in part, by means of any outstanding sums otherwise due to the Vendor.

Late delivery

Should the Vendor fail to deliver the Products by the date set in the Order, this circumstance shall automatically be regarded as delayed performance. This conclusion does not depend on any notice issued by SOLAIS regarding the delay.

In cases of obligations to be fulfilled on the premises of SOLAIS, compliance with deadlines or with terms of delivery shall be determined by the date of delivery of the Products to the receiving party or to the user specified by SOLAIS. In all other cases, the Vendor is to provide available Products in good time, bearing in mind the time required for loading and transporting, to thus ensure receipt on the part of SOLAIS by the deadline specified on the Order.

The Vendor undertakes to immediately inform SOLAIS in writing of any delivery date overshoot and to immediately seek an agreement for an alternative delivery deadline.

Delivery of Goods and Quantity Differences

If delivery takes place before the deadline agreed upon, SOLAIS reserves the right to return the Products, the costs, expenditure and risks being covered by the Vendor, and to charge the Vendor for storage costs and every other cost and expenditure deriving from or in any case linked to the delivery taking place before the delivery date. SOLAIS shall be entitled to offset the aforesaid costs and expenses by means of any outstanding sums otherwise due to the Vendor. If, following early delivery, the Products are not returned, they must be stored by SOLAIS (the costs and risks of this are to be borne by the Vendor) until the term agreed upon for delivery. In any case, the deadline for payment of the sum concerned shall be calculated as from the date originally agreed upon.

SOLAIS shall accept partial delivery only if this has been expressly agreed upon. If partial delivery has been agreed upon, the remaining quantity must be specified. In the event of partial delivery not agreed upon, SOLAIS shall be entitled to return the goods delivered in excess to the Vendor, the costs and risks entailed being sustained by the Vendor, In this case, too, SOLAIS shall be entitled to offset the aforesaid costs and expenses by means of any outstanding sums otherwise due to the Vendor.

The same rule applies to Products not requested or delivered without a normal corresponding Order.

The delivery dates for Products and relative to the services indicated in the Closed Orders are essential to SOLAIS and its interests. SOLAIS shall, in any case, be entitled, following a simple written notice to this effect addressed to the Vendor, to alter the dates of delivery for the Products and dates of delivery relative to the services indicated in the Closed Orders.

Charge for complaints

In the event of complaints made for any reason by SOLAIS, addressed to the Vendor, the management cost for each complaint shall be 100 €.

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7. Packaging

The Vendor shall deliver the Products according to the purchasing specifications of SOLAIS and/or according to terms agreed upon.

The packaging must be agreed upon according to type of Product, so that delivery of the Product in perfect conditions may be ensured.

Each item must externally display, in legible form, the information required in accordance with applicable transport regulations, full directions regarding special storage conditions to be met and Product traceability data (e.g. batch no.).

The Vendor shall be financially liable for any product damage (breakage, missing items, partial damage etc.) caused by unsatisfactory packaging.

8. Logistics

Generally speaking, the Vendor must organise its delivery processes in such a manner that the quantities of Products declared in the delivery documents are delivered to the site indicated by SOLAIS at the set time, the quality being that agreed upon, in order to ensure normal functioning of the entire supply chain.

Special requirements regarding packaging, forwarding, transport and delivery may be agreed upon separately by the Parties.

9. Incoming Products

SOLAIS may specify control of incoming Products, limited to control of the quantity and identity of items delivered as well as control of externally visible damage. SOLAIS undertakes to provide the Vendor with notice of any non-conformity of Products at the time of delivery and thereafter, within two weeks of having taken note of such damage.

The Vendor of raw materials is obliged with each delivery to enclose certificate 3.1 relative to the batch sent. Other types of certification (e.g. declarations of conformity) may, in the event, be agreed upon beforehand with SOLAIS in writing.

10. Force majeure events

Force majeure events are events that release the Parties from their obligations to perform for the duration of the default period and, furthermore, should it prove necessary, also over an adequately long recovery period. The Parties undertake to do everything that is reasonably possible to, without undue delay, provide the necessary information as to the entity, the nature and the foreseen duration of the situation, as to inability to perform and execute, and shall, in good faith, adapt their obligations to the changed circumstances. SOLAIS, in such situations, shall be released in whole or in part from its obligation to accept deliveries or services. SOLAIS is entitled to revoke the part of the contract that has not been executed if the delay exceeds 2 weeks.

11. Price and Payment

The prices agreed upon by the Parties are applicable and are set on the basis of the provisions of the contractual documentation. Other prices may be charged only after confirmation from SOLAIS is issued in writing.

The agreed prices must be fixed (net) prices and in any case must be total prices for production and delivery of the Products including all ancillary procedures, and in particular packaging. Special supplements such as special added costs for small quantities may be charged only after prior confirmation in writing issued by SOLAIS.

Under no circumstances can SOLAIS be charged for the greater costs borne by the Vendor relating to raw materials or subcontractors, unless an agreement in regard has been expressly reached beforehand with SOLAIS.

The invoices must include all data concerning delivery. SOLAIS is entitled to reject deliveries if the documents submitted are incorrect and/or incomplete. The real quantities, and the weights or other units of measurement regarding deliveries and agreed prices are essential for payments to be made.

Payment may take place by bank transfer. The dates when payments become due are agreed upon in writing and are specified in the Order.

In the event of deliveries of defective items, SOLAIS shall be entitled to withhold payment until the complaints have been fully settled.

The Vendor is not entitled to transfer rights deriving from any of its claims against SOLAIS without prior approval in writing from SOLAIS. Such approval may not, unless for good reason, be denied.

12. Quality

The Vendor guarantees that the Products:

- conform with the conditions set forth in the Contract and/or in the Open Order and/or Closed Order and/or in the Technical Specifications;
- are manufactured in conformity with Applicable Regulations, including, health and safety environmental regulations and labour laws.

Targets:

The targets agreed upon by the Parties are as follows:

Vendor rating: C4 (excellent) or C3 (satisfactory)

Complaints: 0

OTD (on time delivery): 100% (delivery time +/- 2 days and conformity of quantities +/- 20%)

Response to 8D report: 100% (2 days for containment actions - 10 working days corrective actions – 60 days for effectiveness and evidence)

RFQ response time: 2 days

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QUALITY SYSTEM OF VENDOR

The Vendor undertakes to implement a system compliant with the IATF 16949 standard (latest version) or, at the very least, to abide by and maintain the ISO9001 quality management system (latest version) for the period of activities as vendor and to maintain and monitor its own quality management system. The Vendor is obliged to submit to SOLAIS yearly written confirmation of such certification.

Failure on the part of the Vendor to obtain quality system certification automatically relegates the Vendor to the C0 (most unsatisfactory) class.

13. Modifications

The Vendor may not modify in any way the Product, design, materials, logistics, packaging, place of manufacture and process of manufacture without prior approval in writing issued by SOLAIS.

Before launching a new Product or first delivery of modified Products or processes, the Vendor must complete the procedure of internal approval and submit all the necessary documentation for approval on the part of SOLAIS (samples – PPAP).

14. Insolvency and bankruptcy

Obligation regarding labelling

The Vendor must clearly and visibly label all Equipment and other items that are owned by/co-owned with SOLAIS before third parties can for any reason lay claim to the said items.

Return of Equipment

SOLAIS shall be entitled to demand immediate return of Equipment should the Vendor be declared insolvent/bankrupt. If the Equipment is not solely the property of SOLAIS, return shall take place immediately after payment by SOLAIS of the current value of the share owned by the Vendor, with any intervening depreciation considered, requiring an assessment of the amortization quotas calculated up to that time. In the event of a dispute arising, a third person determining the subject matter of the contract – who is to be appointed by the two Parties by agreement – shall assess the current value.

Termination of the Contract

Should deliveries not be guaranteed because of insolvency/bankruptcy of the Vendor, SOLAIS shall be entitled to immediately terminate the Contract.

15. Notices

The Parties must not only indicate the normal generally used means of communication but also name the pertaining officers. It must be possible to contact these officers during the working day, and these same officers must be empowered as decision-makers. In the event of emergencies or of certain needs arising outside working hours, a contact officer must be on hand.

If, by submitting a report documenting transmission, SOLAIS can prove that it has submitted a notice by means of fax or by another means of communication it is presumed that the Vendor received the notice in question. Delivery documents, bills of lading, invoices and all other correspondence must include the SOLAIS Purchase Order number.

16. Access

SOLAIS reserves the right to control the processes of manufacture of the Products on the Vendor's premises or on the premises of subcontractors. The Vendor hereby permits SOLAIS and/or employees and/or agents of SOLAIS to freely access its premises and the premises of subcontractors. The aforesaid parties are also permitted to test the Products without prior notice. These faculties granted to SOLAIS shall in no way limit the liabilities and guarantees that remain the Vendor's.

The rights to inspect Products shall therefore in no way be understood as a waiving on the part of SOLAIS of any other legal right or right derived from the Contract. Among these rights, those regarding guarantees against flaws and/or defective functioning and compensation for damages are expressly noted.

17. Liabilities regarding defects

The Products must be as specified in the Order and in the pertaining Technical Specifications, as well as in any other pertaining document; must be fit for the specific purpose foreseen; must conform with the latest recognised technological and scientific standards; must conform with all applicable legal provisions; and must be defect-free. Conformity with test specifications and authorisations issued by SOLAIS and/or by customers of SOLAIS shall in no way exonerate the Vendor from its obligation to provide defect-free Products.

In the event that a defect and/or a discrepancy – with regard to the order and possible Technical Specifications – is noted in the Products (which Products, therefore, are non-conforming Products), SOLAIS – entirely at its own discretion, and without prejudice to further claims for greater damages (Non-Conformity Penalty) – reserves the right to:

- ✓ demand supplementary measures to recover the Products => In certain cases, repair of Product defects may be agreed upon by the Parties (where repair is possible). In the event that the Vendor does not undertake supplementary measures directly, the said party can at its own expense seek the services of contractors following authorisation issued by SOLAIS.

The Vendor is to bear all necessary costs entailed in adopting supplementary measures (including transport costs). The Vendor is aware that the Products must be used in Equipment for the motor industry and that the costs may therefore (even significantly) depend on the places in which the vehicles are used.

- ✓ Execution by a party other than the Vendor => SOLAIS or a third party may – with expenses sustained by the Vendor – directly remedy the defect in Products when it is unreasonable to expect SOLAIS to await repair on the part of the Vendor. This situation comes about, for example, when immediate repair of the defect is required in order to prevent serious damage or when operational safety must (where possible) be ensured

- ✓ Replacement of non-conforming Products => In such circumstances, the Products shall be: (i) returned to the Vendor, that is to sustain the costs and expenses and run the pertaining risks; (ii) immediately replaced or repaired using other Products; and (iii) re-delivered to SOLAIS, by the Vendor, which is to sustain the costs and expenses and run the pertaining risks, at the seat of SOLAIS or as indicated by SOLAIS.
- ✓ Corrective measures => The defects noted in the Products provided must be examined by the Vendor in order to pinpoint the cause. The scope and extent of inspection and all corrective measures regarding the cause of the defects arising in the Products are to be agreed upon by the contractual Parties. Should the Parties fail to reach an agreement, the aforesaid elements are to be determined by SOLAIS *ex aequo et bono*. The Vendor shall immediately inform SOLAIS of the results of the inspections. At the request of SOLAIS, the Vendor shall provide in writing a detailed account of the corrective measures adopted. When selecting the corrective actions, the Vendor is to monitor them and provide SOLAIS with evidence of their efficacy. If the Vendor is unable to conduct inspections, the controls may be conducted or agreed upon with SOLAIS at the Vendor's expense.
- ✓ Repeated defects => Repeated or serial damage consists in clusters of defects all with the same cause. With regard to serial defects or groupings of defects that do not actually qualify as serial defects, the Vendor is to propose specific measures for all the Products concerned, whether from the supply chain or from the field. The Parties shall agree upon the measures to be adopted immediately after these defects have been noted. The Vendor alone shall be liable for all costs generated by the measures agreed upon.

In the event of non-conforming Products, the Vendor shall be obliged to make over to SOLAIS a Non-Conformity Penalty payment, estimation of which shall take into account the damages sustained by SOLAIS due to the defects noted in the Products (e.g. extra travelling time and work shifts, losses and penalties due from SOLAIS and/or from SOLAIS's customers arising out of failure to perform in accordance with terms etc.).

Without prejudice in any case to SOLAIS's right to terminate the Contract in accordance with the provisions of article 25 below, SOLAIS shall be entitled to offset the sum of the penalty, wholly or in part, by means of any outstanding sums otherwise due to the Vendor.

18. Liabilities and guarantees

Liabilities

The Vendor's liabilities are as set forth in legal provisions, without prejudice to other contractual provisions.

Should SOLAIS be sued for civil liability and/or a contractual liability which may be ascribed to a defect and/or unreliability of the Products provided by the Vendor, the Vendor shall be obliged to indemnify and hold SOLAIS harmless and to compensate for any damages, costs and expenses borne by SOLAIS.

In this regard, SOLAIS shall without undue delay inform the Vendor of any claims made by third parties that may be ascribed to a defect and/or unreliability of Products provided.

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Liabilities/Product recall

In the event of complaints made to SOLAIS regarding breaches of official safety regulations or relating to Italian or foreign provisions relating to product liability or laws regarding product defects caused by a Vendor’s product, SOLAIS shall be entitled to claim from the Vendor compensation corresponding to the damage caused by the Vendor’s Product.

The Product’s defects may, due to the dangers they cause, necessitate removal of the risk. This may necessitate a recall (e.g. recall actions, customer service actions or other actions in the field). The Parties shall therefore inform each other of any Product defects which have arisen and shall agree upon required measures.

Indeed, it is generally the case that the vehicle manufacture to decide if a recall is necessary. It is imperative that this decision be made in the light of the interests of all stakeholders. The vehicle manufacturer – who possesses the necessary information on the positioning of the Products – must generally be the one to order recall. Should the Product defect regard the items provided by the Vendor, the Vendor shall enable recall by providing the defect-free Products free of charge. Furthermore, the Vendor shall be liable for all costs to be borne for execution of recall.

The Vendor must take part in all voluntary assistance actions targeting customers, or in other actions in the field taken on by SOLAIS, by SOLAIS’s customers or by other third parties. If the Product defect is unrelated to the Vendor’s items, the Vendor shall in any case be obliged to take part in planning and managing the recall operation. Such commitment shall also extend to proposing satisfactory solutions, and is to reflect a willingness to provide the Products requested at the currently applicable price. In this regard, any additional costs arising out of such cooperation for the purposes of recall shall be reimbursed to the Vendor.

Insurance

The Vendor shall stipulate and implement a third-party civil liability policy, at its own expense for the entire duration of the Contract with SOLAIS and for a further period of 3 (three) years following the date of delivery of the Products or following termination of provision of the services. The sum is to be sufficient to provide cover for all possible claims, lawsuits and legal proceedings concerning or deriving from provision of the Products/services that are the object of the Contract. The Vendor shall implement general insurance policies, and specifically it shall ensure insurance with cover at least for the following:

- Extended insurance cover for liabilities linked to the Product with cover for the expenses of third parties regarding repair, removal, disassembly or disencumbrance of defective Products and regarding installation, application and transfer of the Products.
- Civil liability insurance for return of motor vehicles totalling not less than 5,000,000.00 (five million/00) euros single cumulative limit for each event, and yearly aggregate of 5,000,000.00 (five million/00) euros
- Further civil liability insurance, which may be required in view of the specific nature of the supply relation.

At the request of SOLAIS, the Vendor, within ten (10) days of SOLAIS’s request in writing, must provide a copy of the policies undersigned, which must indicate the sums of cover, the policy numbers and the dates of expiry of insurance.

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The fact that the Vendor has undersigned appropriate insurance agreements – and that it has provided SOLAIS with the undersigned insurance policies – does not exonerate the Vendor from the contractual and legal obligations of Vendor-SOLAIS relations. If a violation of this provision on the part of the Vendor takes place, the Purchaser shall be entitled to cancel the part of the Order regarding any Product not yet delivered, and shall not be obliged to make over any payments except those for conforming goods that were provided prior to cancellation.

Declarations and Guarantees of the Vendor

The Vendor declares and guarantees:

- a) that it is aware that SOLAIS engages in production thermoacoustic insulators for the automotive sector;
- b) that it is aware that the manner in which the automotive industry is currently organised demands implementation of integrated organisational models (i.e. just in time, self-certification, self-qualification etc.) and intense cooperation between vendors and their customers;
- c) that it is aware that the main concern of SOLAIS is to ensure that its Products attain high levels of competitiveness, quality and reliability; embody technically updated solutions and services; and are satisfactory in regard to costs;
- d) that, thanks to its financial and technical organisation, it can further the objectives of SOLAIS indicated above;
- e) that the Products are free of flaws of any nature and/or kind such as lower their value and/or which impede, or are adverse to, perfect functionality or safe use; or which render the Products unsuitable, even only in part, with respect to the use to which they must be put.

The Vendor declares and guarantees that it has obtained all necessary licences, authorisations and permits for provision of the Products. The Vendor undertakes to indemnify hold SOLAIS harmless with respect to any lawsuit, claim, nuisance or disturbance, and with respect to any damages, costs and expenses (including costs of defence and legal charges and fees) arising out of a violation of this guarantee.

The Vendor guarantees that its personnel engaged in execution of the Contract with SOLAIS is, and shall be, employed in accordance with current employment law, accident prevention, and social-security and workplace health and safety regulations, and that this workforce shall be employed and remunerated in accordance with the work contracts applying from time to time, and stipulated with sector trade unions nationally – in the event, also including supplementary provisions. If, and to the extent that, employees of the Vendor work on the premises of SOLAIS, these employees shall be subject solely to the directives and managerial powers of the Vendor, which must ensure that its employees abide by all rules governing access to and use of the said premises.

The Vendor undertakes in particular, to indemnify and hold SOLAIS harmless should SOLAIS be called upon to directly or jointly make over sums such as – merely by way of example, the list not being exhaustive – remuneration, taxation at source, social-security and assistance payments, premiums or fines (penal, administrative, fiscal or of another kind) relating to personnel employed by the Vendor for provision of services, or due to failure of the Vendor to abide by tax, social-security, insurance or fiscal obligations relating to its

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personnel and/or the personnel of any subcontractors engaging in provision of services for SOLAIS.

The Vendor guarantees that (i) production and provision of the Products in no way infringes upon the rights of a third party; (ii) the Products which are the object of the Contract were manufactured thanks to the know-how and technology owned by the Vendor, or which the Vendor is entitled to use according to a valid, efficacious entitlement, and (iii) no claims have been advanced by third parties regarding the Products that are the object of the Contract. The Vendor undertakes to indemnify and hold SOLAIS harmless with respect to any lawsuit, claim, nuisance or disturbance, and with respect to any damages, costs and expenses (including costs of defence and legal charges and fees) arising out of a violation of the guarantee of this article.

The declaration and guarantees as per this Article constitute an essential prerequisite for establishment of a supply relation with the Vendor.

The duration of the Products guarantee is 36 (thirty-six) months, as from date of delivery. During the guarantee period, SOLAIS shall inform the Vendor in writing of any defect of Products supplied, within 15 (fifteen) days of having taken note of the said defect.

19. Emergency plan

The Vendor must draw up an emergency plan to minimise the risk of line stoppage. This plan must pinpoint and assess internal and external risks regarding all manufacturing processes and infrastructures, equipment essential for maintenance of production and for ensuring that the customer, SOLAIS’s requisites are met. The plan must at least take into account the following possibilities, without exception: breakdowns of key equipment; interrupted flow of incoming Products, and of processes and services; natural disasters; fire; interrupted services; manpower shortfalls; infrastructure issues.

SOLAIS must be informed of any application of an emergency plan regarding manufacture of Products for SOLAIS.

The emergency plan may be requested, should SOLAIS intend to conduct an audit.

20. Non-transferability and subcontracts

The Vendor may not grant or transfer wholly or in part any Order to third parties, even free of charge, without the express, prior approval of SOLAIS issued in writing.

Should the Vendor’s direct or indirect corporate control undergo changes (a.k.a. Change of Control) or should the Vendor’s company be sold or transferred to third parties, SOLAIS will be entitled to cancel current orders without prior warning, in compliance with the provisions of article 25 of the GPC herein.

The Order cannot be contracted out to third parties other than the Vendor, either in whole or in part, either directly or indirectly, without the express, prior authorisation of SOLAIS.

Should the Vendor receive authorisation to contract out the Order to third parties either in whole or in part, the Vendor shall remain solely and fully liable to SOLAIS with respect both to execution of the Order and of these GPC. The Vendor is to indemnify and hold SOLAIS harmless with respect to any claim made by subcontractors.

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21. Confidentiality

The Parties – as companies, and on behalf of their directors, managers, employees, collaborators and consultants – declare that they shall abstain from divulging, or enabling divulcation to other parties (including SOLAIS’s customers) of any information such as – merely by way of example – prices quoted, prices negotiated regarding any Contract, specifications, drawings, samples of any kind or other technical, financial, economic or commercial information made available for the purposes of this Contract (“Information”), such divulcation not being permitted without the Counterparty’s prior consent issued in writing.

Both Parties may only divulge the Information to those of their staff members who must have access to the Information for the purposes of the Contract. Such persons are bound by similar confidentiality agreements, and they shall not use the Information for reasons unrelated to execution of this Contract.

The Vendor shall not use the name SOLAIS for advertising purposes. The Vendor shall make no mention of its commercial relations with SOLAIS without prior permission to do so expressly issued in writing by SOLAIS.

The Information may be used solely for the purposes of the Contract.

Both Parties must adopt all precautions necessary to guarantee that no Information be divulged or revealed to third parties. Any failure to abide by this obligation shall lead to application of the article herein, “WITHDRAWAL AND TERMINATION OF SUPPLY CONTRACTS”, and the main party liable shall be subjected to judicial mesures.

This confidentiality obligation shall be valid for a period of ten (10) years following termination of the Contract for any reason. Once the Contract has been terminated, each Party shall, following the first such request, return to the Counterparty all its documents regarding the Contract, whether confidential or not, and shall not store any copy, unless expressly authorised to do so beforehand.

22. Transfer of ownership

Ownership of the Products is transferred to SOLAIS as per the provisions indicate in the Order.

23. Equipment and moulds (where applicable)

All moulds, tools, machinery and other manufacturing Equipment provided or paid for by SOLAIS for needs relating to the Products (in general, “Equipment”) remain the sole property of SOLAIS. This provision also applies to moulds, equipment, apparata and instruments created on the basis of a specific request from SOLAIS and on behalf of SOLAIS, including industrial property and intellectual rights. In regard to construction of the moulds and machinery on the part of the Vendor, see articles 24 and 25.

In all cases, it is to be understood that the Equipment has been left in the storeroom on the premises of the Vendor for the purposes of the Order, even when a specific loan agreement has not been reached or a storage room receipt has not been issued. The Equipment may be used only for the purposes of the Order and must not be loaned out or made available to third parties, or reproduced or copied by the Vendor. The Vendor, at its own expense, must apply

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a visible ID code that cannot be readily removed, which must indicate “Property of SOLAIS – not to be sold, transferred or pledged”. The Equipment may be retrieved by SOLAIS at any time.

The Vendor must abstain from transferring the Equipment without SOLAIS’s prior permission to do so.

Having received it, the Vendor shall ensure perfect maintenance of the Equipment in order to prevent possible qualitative deviations from the manufacturing process or supply downtimes. The Vendor shall provide a precise, detailed inventory regarding the Equipment on SOLAIS’s first request.

The Vendor shall likewise be responsible for replacing the Equipment in the event of loss, theft, fire or destruction etc. In regard to the aforesaid condition, the Vendor undertakes to undersign appropriate insurance policies such as cover risks and damages that the Equipment may cause to third parties. The Vendor must provide proof of stipulation of the said insurance policy on the first request of SOLAIS. In the event of termination of the Order for any reason, the Equipment must be returned to the sole owner, SOLAIS, on the first request.

24. Construction of moulds

Together with the order to construct/modify the mould, SOLAIS shall provide the basic data regarding the mould, namely:

- drawing of details
- mathematical model (where available)
- “mould technical data sheet”
- specifications list provided by SOLAIS customer (if applicable)
- mould delivery date

On request, the technical staff of the Vendor shall attend technical meetings with SOLAIS or SOLAIS’s customers, both at the preliminary stage and during production.

The Vendor is responsible for checking that the base data are complete and for requesting further information if necessary. During re-examination and control of the mould, and during any adjustment and/or modification actions, the Vendor must seek the involvement of the officer appointed by SOLAIS, in order to obtain permission to complete the mould.

Production, on SOLAIS’s part, of the first samples with the new and/or modified mould may call for the presence of the Vendor’s technical staff. The samples for approval, on request, are to be accompanied by a control report regarding all characteristics included in the specifications (N.B. when modifying a pre-existing mould, only the modified characteristics are considered). For multi-figure moulds, control must be repeated for each figure.

SOLAIS sends the results of sampling to the Vendor. If defects caused by the mould are noted, the Vendor must urgently corrective measures.

Without prejudice to alternative arrangements agreed upon at the time of the order, the mould is to be considered approved on receipt when the customer of SOLAIS endorses the first samples sent to the customer for approval or in any case where no defects or flaws caused by the mould are noted.

The Vendor acknowledges that SOLAIS is the sole proprietor of all the drawings, specifications and other technical information created or provided by the Vendor regarding the moulds, with no limitation to this ownership right unless otherwise stipulated.

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The Vendor shall note any invention or improvement linked to production of the mould and shall notify SOLAIS of it without undue delay. On request, it shall provide any document that may be required in order to establish SOLAIS's ownership of the aforesaid inventions or improvements.

Should SOLAIS so request, the Vendor also undertakes to submit all documentation relating to design and production of the moulds, and to store the documentation for at least ten years. The Vendor shall consider strictly confidential all technical and/or commercial information that it gains while executing the work assigned to it by SOLAIS.

25. Construction of machinery

Together with the order for construction/modification of machinery, SOLAIS provides the data and characteristics required to conduct such activities.

The Vendor must check that the basic information is exhaustive and must request any further information if required.

During review and control of the machinery and whenever adjustments and/or modifications are required, the Vendor must seek the involvement of the officer charged by SOLAIS in order to obtain approval for completion of the machinery. The machinery must bear the CE mark and must be manufactured in conformity with all current safety norms.

When the machinery has been completed, a trial session shall be conducted in the presence of the Vendor and SOLAIS's technical staff in order to check for the efficiency of the machinery. When delivering the machinery, the Vendor must submit to SOLAIS a handbook with full directions for users, a copy of the drawings and all technical, electrical and hardware and software data.

The Vendor acknowledges that SOLAIS is the sole proprietor of all the drawings, specifications and other technical information created or provided by the Vendor regarding the moulds, with no limitation to this right unless otherwise stipulated.

The Vendor shall pinpoint any invention or improvement linked to production of the mould and shall notify SOLAIS of it without undue delay. On request, the Vendor shall provide any document that may be conducive to establishing SOLAIS's ownership of the aforesaid inventions or improvements.

The Vendor issues a one-year guarantee regarding the machinery produced, valid from date of delivery of the machinery, unless otherwise agreed upon by the Parties. During this period, all repair and maintenance work shall be covered by the guarantee and conducted by the Vendor. Any modifications to the machinery shall be agreed upon beforehand by the Parties and shall be accompanied by an estimate of expenditure.

The Vendor undertakes to consider strictly confidential all technical and/or commercial information that it gains while executing the work assigned to it by SOLAIS.

26. Supply contracts – withdrawal and termination

Without prejudice to the provisions of art. 5 (Acceptance limits (downturn in demand)), SOLAIS shall have the faculty to withdraw from the supply Contract in accordance with article 1373 of the Civil Code at any time and entirely at its own discretion by providing at least 15 (fifteen) days' advance notice of withdrawal to the Vendor prior to efficacy of withdrawal.

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SOLAIS shall also have the faculty to withdraw from the Contract with immediate effect if the Vendor is declared bankrupt or should a voluntary winding-up procedure or corporate dissolution procedure regarding the Vendor be ongoing or initiated; an insolvency procedure commence; or the Vendor stipulate any agreement or arrangement with its creditors.

The Vendor must inform SOLAIS by registered letter with return receipt of any such circumstances arising within 15 (fifteen) solar days of the event.

In the event that SOLAIS exercises the faculty to withdraw from the Contract, the Vendor is to receive only the sums due for the Products and services provided up to the date of withdrawal, without prejudice to SOLAIS's right to offset the said sums with other open credit balances.

In the event of the Vendor's failure to execute the supply Contracts or of failure to execute them to full satisfaction, SOLAIS may terminate the said Contracts in accordance with art. 1454 of the Civil Code by means of issuance of an intimation to perform within 5 solar days of reception, which intimation is to be sent to the Vendor by registered letter with return receipt. If, by that deadline, the Vendor has not fully – or has only in part – remedied the failure to perform, without prejudice to automatic termination of the supply Contract, SOLAIS shall, without recourse to legal action, be entitled to withhold sums that had, in any case, accrued to the Vendor, as advance payment of compensation for damages ascribed to failure to perform (also regarding supplies other than those items that were not executed or that were not executed satisfactorily, with the Vendor's waiver with retroactive effect of opposition of any kind).

27. Sundry

Failure on the part of SOLAIS to exercise any single right specified in these GPC must not be considered a waiver of the right as such. Such failure to act cannot in any way be considered impedimental to any intention on SOLAIS's part to affirm or exercise such a right at a later date.

28. Applicable law and jurisdiction

The contractual and non-contractual obligations deriving from or related to these GPC and the relations between Vendor and SOLAIS are all to be governed by and interpreted according to Italian law. Each Party irrevocably agrees that the Court of the city of Treviso is the sole seat of jurisdiction that may hear any dispute concerning interpretation and execution of these GPC and of the Contracts.