

# Autotest Südtirol G.m.b.H

## General Conditions of Purchase

UP02\_FB13

Rev.:3.0

**Autotest Südtirol G.m.b.H.**  
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Italien  
Steuernummer IT 01703870210

### 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 a company belonging to the Autotest Südtirol G.m.b.H. (hereinafter known as "Autotest") 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.** Purchasing orders are only valid if in written form. 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 Autotest.
- 2.2** Any amendments and additions to the agreement require Autotest's written confirmation for the purposes of their validity. The supplier's purchase conditions shall only be binding upon Autotest if acknowledged separately by Autotest.
- 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 Autotest 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, Autotest shall be entitled to request, at any time whatsoever, any amendments to the volume and performance of the 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

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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 Autotest'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 Autotest 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 Autotest 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 Autotest'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 Autotest 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, Autotest shall grant the supplier two weeks time to produce finished parts and a further two to supply the raw materials. The terms of supply which go beyond these limits, 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. Autotest 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. Autotest 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** Autotest 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. Autotest 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. Autotest shall be entitled to postpone the supply requests or provide for a provisional suspension of the supplies, without the supplier being authorised to amend the price of the goods.

**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 Autotest 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 Autotest 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 Autotest 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 Autotest or for Autotest.

**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 supplier shall undertake to prepare an emergency plan to guarantee the supply's feasibility and submit it to Autotest. The supplier shall undertake to guarantee to be available twenty-four/seven. Besides the quantity commissioned for the subsequent orders, the supplier shall undertake to maintain a FIFO security reserve of O.K. goods, always available, to cover the orders, or at least, to cover the next one. Autotest shall be entitled to check the security reserves, after providing a notice period of two hours, during the supplier's normal working hours. In the case of insufficient FIFO security reserves, the Head of Autotest's material planner shall be immediately provided with a written report on the situation and the period foreseen to supplement the FIFO security reserves. The security reserve shall be immediately supplemented, without any further supervision by Autotest and, in any case, by and no later than twelve hours from when the reserves have been consumed.

**4.11** The sender, the delivery address, the item's name, the Autotest article number, the Autotest order number and the quantity supplied must be indicated on every delivery note. If the indicated terms are not complied with, the goods cannot be calculated by Autotest nor shall it be possible to pay off the corresponding invoice.

**4.12** The physical prototypes must be prepared separately and must always be delivered with a separate delivery note. The latter shall clearly indicate the wording "Prototype".

The prototypes, together with the VDA-EMPB (*the initial sampling test report*) and the relative documentation, must be delivered to the place indicated in the order. If said initial sampling test report is sent beforehand to the order address, it must be explicitly indicated on the supply documents.

**4.13** 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 Autotest for any damages incurred consequent to delays in delivery.

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**5.2** If the supplier is late in providing the supplies, Autotest shall be entitled to claim performance by establishing further appropriate terms (in general, the subsequent period is equivalent to ten working days), declare his wish to terminate the agreement or claim arrears equivalent to 2% of the order volume for each day's delay, up to a maximum of 10% of the entire order volume.

**5.3** If the subsequent terms envisaged in Article 5.2 are not complied with, due to blame attributable to the supplier, Autotest 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, Autotest 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, Autotest 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 Autotest.

**6. Shipment - Packaging – Risks during transport – Retention of title – Application of Incoterms**

**6.1** All goods must be properly packaged, marked and sent, bearing in mind all commercial diligence. The provisions communicated by Autotest, which constitute an integral part of this agreement, must be strictly complied with and undertaken by the supplier.

**6.2** The shipping documentation foreseen must always be attached to the goods with each supply. Reference should therefore be made to Autotest's regulations. Autotest shall not accept any supplies, where the goods shipping documents have not been attached to the goods, in compliance with the foreseen provisions.

**6.3** The supplier shall undertake to submit the so-called origin certificate for the object of the supply (the supplier's declaration of conformity), or the supplier shall undertake to send Autotest the necessary declaration concerning both the commercial origin as well as the good preferential origin, in due time and, therefore, notify them immediately, without any eventual amendment of the origin certificate having to be requested. At the same time, the supplier shall undertake to check the truth of the information relative to the goods' origin, by means of a statement that must be certified as true by the Customs Office. If the supplier does not fulfil said obligation, he shall undertake to answer for all the damages derived from the same.

**6.4** If the delayed delivery of the aforementioned documents leads to any stoppages, all the corresponded costs and expenses incurred shall be debited to the supplier.

**6.5** The existing and/or attached identification tags which refer to the characteristics, composition, conservation, name, description, shipping documents, instructions for use and assembly, must be, with reference to the contents, filled in correctly, impeccable, complete and comprehensible.

**6.6** Should the supplier not abide by the type of packaging prescribed and authorised, Autotest shall be entitled to charge him the additional costs incurred. The passage from standard packaging to alternative packaging must be approved by Autotest beforehand. Before using another type of packaging, the type and relative capacity must be agreed upon. The supplier shall undertake to inspect and control the packaging and identification processes, in the amount in which the latter are requested, in order to guarantee compliance with the requirements foreseen.

**6.7** The transfer of title and perils of the goods shall take place at the time and place established in the Supply Agreement.

**6.8** Transfer of perils:

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The goods shall be sold as “delivered duty paid“ (DDP) (the delivery place agreed in the country of importation).

**6.9** The INCOTERMS, in the version in force on the date that the agreement is entered into, shall be applied with reference to the rest.

**6.10** After cash-down payment has been made, the raw materials (such as steel, aluminium, production materials, etc.) shall become Autotest's property.

### 7. Prices 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 Autotest received verifiable invoices and will be made sixty days starting at the end of the month from receipt of invoice.

Our payment terms and conditions:

Payment in advance 7% discount

Payment 14 days after invoice date 4% discount

Payment 30 days after invoice date 2% discount

Payment 30 days after invoice date end of month net

The terms of payment shall be agreed in writing between the supplier and Autotest. 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 delivery note number and supply programme, respectively, the order number, as well as the conditions of payment and banking coordinates must be set forth in all the invoices. The invoice must be completely correct and issued in its original form.

**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 Autotest to withhold the relative payments.

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

**7.7** The sender, shipping address, article description, Autotest article number, Autotest order number and delivery quantity are to be specified on every delivery note/invoice.

**7.8** Group invoicing clause:

Autotest has the right to offset with and against due and non-due, as well as future claims that are due to Autotest or companies of the Autotest 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 Autotest participations.

The supplier agrees that all securities offered to Autotest 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 Autotests' accounts receivable due from the supplier – irrespective of the legal foundation on which they are based.

### 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.

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

**8.3** Should the competent authorities request to check specific requirements and see the production process of Autotest and its inspection certificates, the supplier shall undertake to grant the same right to Autotest in its company and provide all the support required.

**8.4** With reference to the application of the "Quality Control Agreement" rules existing between Autotest and the supplier, the inspection of the goods on entry by Autotest shall be limited to what has been set forth below: Autotest shall only undertake, with reference to inspecting the goods on entry, to acknowledge and check the quantities, transport damages and any other, clear damage. Please refer to the Autotest regulations with reference to the acceptance of the goods and their inspection on entry.

**8.5** Payment of the goods shall not be equivalent to any approval of faulty goods; furthermore, the inspections carried out by Autotest or its clients shall not exonerate the supplier from any liability for faulty goods.

**8.6** Autotest shall undertake to immediately notify, in writing, any defects found, just as soon as the same are ascertained, on the basis of the normal course of commercial activities, as foreseen in the provisions. To this end, the supplier shall undertake to renounce any objections concerning the delayed communication of any faults found.

**8.7** Autotest shall be entitled, after providing notice, to enter the supplier's company, during working hours, to check the premises, goods, materials, production of the goods and the equipment, machinery and devices used for the supply.

**9. Competitiveness**

**9.1** The supplier shall warrant that the goods supplied are competitive in relation to price, technology, quality and design.

**9.2** In the case in which Autotest should offer equivalent goods, at competitive conditions, the purchaser shall inform the supplier of this and shall establish an expedient due date, in writing, to re-establish the competitiveness. The supplier shall check and fully adopt all the measures required to re-establish competitiveness. He shall inform Autotest about these measures and the offer's review. Said review by the supplier shall go towards re-establishing the competitiveness of the goods, in case of point, within the most expedient due date established by Autotest.

**9.3** Autotest and the supplier have agreed that the obligation of maintaining competitiveness is a fundamental commitment for the Supply Agreement.

**9.4** If the supplier does not submit a competitive offer, within the due date foreseen, Autotest shall be entitled to assert its termination right, in compliance with what has been set forth in Article 15 of the agreement, here below.

**10. Out of series production – Spare parts**

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

**10.2** 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.

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

**11. Warranty**

**11.1** 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 Autotest 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.

**11.2** If the goods are defected, Autotest is entitled to either:

a) before beginning production (working or assembly), Autotest shall be entitled to give the supplier the possibility of sorting the goods and eliminating the faults or providing a replacement supply, unless Autotest 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, Autotest 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, Autotest 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, Autotest 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, Autotest 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, Autotest 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 Autotest has sustained directly because of the faulty goods, due to other legal causes, besides the goods supplied.

**11.3** Autotest 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 Autotest and the relative costs, as long as they can be attributed to the faulty supply. The agreements entered into between the final clients and Autotest 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 Autotest 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 Autotest and caused by the supplier.

**11.4** In the case in which the goods have already been assembled or supplied by Autotest 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 Autotest's client or a third

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party appointed by Autotest discovered the fault, even if the faulty goods have not been exhibited to the supplier.

**11.5** 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 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 Autotest 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.

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

**12. Product liability - Exoneration – Civil Liability Insurance**

**12.1** 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 Autotest harmless from any demands for compensation of damages from third parties, on first request, if the reason for this falls into the scope of his competences and relative organisational area and if he can be held directly liable in relations with third parties.

**12.2** 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 Autotest or the final client.

**12.3** 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.

**12.4** 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 Autotest the corresponding insurance certification by and no later than seven days from having executed the agreement.

**13. Industrial Property Rights**

**13.1** 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.

**13.2** The supplier shall exonerate Autotest 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.

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

**13.4** 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.



**13.5** The supplier shall immediately inform Autotest 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.

**13.6** 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 Autotest, shall become Autotest'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, Autotest shall freely provide the entire documentation and all the information, respectively with reference to the exclusive right use, on transfer of title.

**13.7** Autotest 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 Autotest explicit, written authorisation to do so. The information must only and exclusively be used for mass production and/or working of Autotest's orders. At the end of the Supply Agreement, the information must be returned, without any reserves, to Autotest. The information must be kept concealed from third parties.

**13.8** If the supplier's industrial property rights should be requested for the use of goods by Autotest and/or its purchasers, the supplier shall undertake to grant Autotest 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.

**13.9** The supplier declares that the rights of use and/or exploitation do not infringe any industrial/intellectual property rights held by third parties.

**13.10** The supplier confirm that it is the legitimate owner of the industrial rights or that it has obtained authorization from the legitimate owners to grant their use to third parties.

#### **14. Ordinary Termination**

**14.1** Autotest 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, Autotest 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 14.1 a), b) or c), the supply of the goods and raw materials must be undertaken upon Autotest's request.

**14.2** Autotest shall not undertake, in any case whatsoever, to pay for the finished goods, products or unfinished raw materials, which exceed the quantities ordered or Autotest's obligation to collect them, in compliance with Article 4.1 of these General Conditions of Purchase. Autotest shall not even

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have to reimburse those goods or materials that fall into the supplier customary stock and which can be easily sold.

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

**14.4** 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 Autotest, 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.).

**14.5** In the case of termination by the supplier of the framework, supply and/or project agreements, the supplier shall undertake to promptly compensate Autotest the development 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 Autotest's termination, due to objective reasons (pursuant to Article 15 of these general purchase conditions).

**15. Extraordinary Termination**

**15.1** Autotest 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 14, 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 Autotest Supply Agreement; this occurs, in particular, in the case in which one of Autotest's direct competitors has a shareholding of more than twenty-five percent 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 Autotest 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.

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

**15.3** The 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.

**16. The equipment's retention of title – means of production – stock – the purchaser's ownership of the equipment**

**16.1** All the equipment, means of production and control, which have been placed at the supplier's disposal by Autotest or the final client, must be unequivocally identified, in compliance with

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Autotest's directives, as clearly and continuously belonging to Autotest or the final client and maintained separate from the supplier's property.

**16.2** The supplier shall not be authorised, under any circumstances whatsoever, to use equipment and the means of control and production, which have been provided in favour of the latter by Autotest or the final client, to produce items on behalf of other clients, unless Autotest has explicitly authorised the same in writing.

**16.3** The supplier shall undertake to guarantee having sufficient insurance cover against all kinds of damages and against damage to equipment, the means of production and control, as well as the stocks of goods that belong to Autotest and, respectively, to the final client. The supplier shall undertake to maintain the equipment and the means of production and control, which have been provided, in impeccable conditions, as well as the stock of goods. Furthermore, the supplier shall provide, at his own expense, for the repairs and the preventive maintenance and conservation measures requested with reference to the aforementioned equipment and the means of production and control, and be able to supply proof of the same, on request. The supplier shall undertake any risks for losses or the deterioration of the equipment and the means of production and control, provided, as well as the stock of goods, as long as the goods are under his custody or control.

**16.4** The supplier shall undertake to prudently and safely manage the equipment and means of production and control, placed at his disposal, as well as the stock of goods and to hold Autotest harmless, with reference to any claims, liabilities, expenses and damages incurred by the assembly, use, conservation or repair of said equipment and the means of production and control, placed at his disposal or the stock of goods or what is strictly in relation to the same.

**16.5** If the equipment and means of production and control, placed at his disposal, or the stock of goods, should not be used, the supplier shall inform the competent Autotest department and ask for the relative instructions. The equipment and means of production and control, placed at his disposal, as well as the stock of goods, may only be disposed off after Autotest's explicit written authorization to do so.

**16.6** Autotest or its final client shall be entitled to enter, during normal working hours, the supplier's corporate premises, to inspect the equipment and means of production and control placed at his disposal, the supplies of the goods sold and the relative entries.

**16.7** Autotest shall be entitled to ask for restitution, at any time whatsoever, without any reason or payment, of the equipment and means of production and control placed at the supplier's disposal, as well as the stock of goods provided, or request their return. Further to Autotest's request, the supplier shall undertake to immediately return the equipment and means of production and control placed at his disposal, as well as the stock of goods provided, and prepare the shipment or supply of everything concerned to Autotest or its final client.

Autotest shall reimburse the supplier's appropriate delivery expenses. The supplier shall not be entitled to any retention right over the equipment and means of production and control placed at his disposal, or the stock of the goods provided. The supplier shall not be entitled, in particular, to oppose said return in the case of:

- a) objections concerning the invalidity of termination concerning the supply relationship;
- b) objections to the lack of depreciation of the contribution to the expenses incurred by the equipment and means of production and control or sequential provisions, maintenance and conservation. If the supplier is entitled to payment of the quotas concerning the lack of depreciation of said means, then Autotest shall agree to reimburse these quota costs after delivery. On reimbursement of the expenses, Autotest shall enter into possession of the equipment, the means of production and control or sequential provisions even if it is not yet their owner. The supplier shall undertake to bind his suppliers' to the same obligations.

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**16.8** In the case in which Autotest or its final client are not the owners of the equipment, the means of production and control or sequential provisions, they shall receive the purchase option entitlement to guarantee the supply of said equipment, the means of production and control and sequential provisions. In the case of the supply being suspended, for any reason whatsoever, Autotest or its final client, who are not the owners, shall be entitled to assert the purchase option for the equipment, the means of production and control and sequential provisions, within thirty days from being made aware of the supply's suspension. The purchase price shall correspond to the quotas of the costs that have not yet been depreciated by the supplier. The supplier shall undertake to bind his suppliers' to the same obligations.

**16.9** In the case in which Autotest provides parts to the supplier, Autotest shall reserve the right to their ownership. The supplier shall provide for the working or relative amendments on behalf of Autotest. In the case of transformation or a mixture of goods, Autotest shall acquire the co-ownership of the new goods, on the basis of the relationship existing between the value of the goods belonging to Autotest and the value of the new goods acquired after transformation.

**17. Safety - The Environment – Dangerous substances - Exoneration**

**17.1** The supplier warrants that only materials that satisfy legal and technical standards (such as, for example, the Reach guidelines) shall be used, with reference to toxic and dangerous substances and the legislation which is, from time to time, in force concerning the environment, health and safety, electricity and electro-magnetic fields.

**17.2** Within the scope of process development work to re-use components, in relation to the elements, from time to time, the one most compatible with the environment and the most economic must be used in compliance with the state of the technique and science.

**17.3** Dangerous substances (in particular, toxic ones or those that are easily inflammable), which are supplied with Autotest's written authorisation, must be easily seen and marked externally; the relative safety documents must be sent to Autotest.

**17.4** In the case in which Autotest should have to answer to civil proceedings due to the supplier's non-compliance with the aforementioned obligations, through safety administration measures, the supplier shall undertake to hold Autotest harmless from these measures and claims, as well as the legal fees incurred, on first written request.

**17.5** Cancerous, toxic or genetically modified components are completely forbidden. Any danger to the user's health can be excluded through use in compliance with the rules in force.

**18. Force majeure**

**18.1** 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.

**18.2** During the delay or non-performance of the supplier's undertakings, Autotest shall be entitled, in compliance with the circumstances set forth in Article 18.1, 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;

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b) invite the supplier to supply the replacement goods from other sources available, in the quantities and within the terms of delivery, which Autotest shall establish in advance, at the prices established in the Supply Agreement.

If the delay should exceed thirty days, Autotest 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 14.1 and 4.1 of these General Conditions of Purchase.

**19. Confidentiality – Advertising**

**19.1** The supplier shall authorise Autotest to memorise and use the data that refers to his company. The latter, in any case, shall be processed in strict confidence, in compliance with the principles of fairness, pursuant to the law. The data shall be registered, organised and kept in archives, both electronic and/or on paper. The data shall be used for administrative and statistical purpose, to perform contractual and legal obligations, as well as to update the main data concerning all the natural and corporate persons who have contractual relations in force with Autotest.

**19.2** The supplier shall undertake to keep all the commercial or technical documents and the information or data, which has been made accessible to him, during collaboration with Autotest, as being strictly confidential; in particular, he shall undertake not to provide it to any third parties or exploit it for any purposes other than for what it was foreseen. The latter is only to be used for performance of the agreement and should only be provided to individuals and collaborators for strictly contractual purposes. This shall not be valid in the case in which the latter concerned facts that were already known, proven and evident.

**19.3** The supplier shall be entitled to advertise the commercial relationship existing between the Parties, only after having received Autotest's prior, written authorisation to do so. The supplier shall not be entitled to use Autotest's corporate purpose or trademark without Autotest's prior, written authorisation to do so. In the case of breach of contract, the supplier shall undertake to pay Autotest a contractual penalty, pursuant to Article 1382 of the Italian Civil Code (*codice civile*), equivalent to € 50,000.00, whilst Autotest shall also be entitled to claim any, further damages sustained. This confidentiality agreement shall be exclusively regulated by Italian Law. The competent jurisdiction in the case of any disputes arising out of this confidentiality agreement (par. 19) shall be the Court of Bolzano (Italy).

**20. Sub-suppliers – Factoring forbidden – Set off**

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

**20.2** 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 Autotest. The costs incurred by the same shall be charged to the supplier. If Autotest's quality requirements are satisfied, it cannot unjustifiably deny its authorisation to grant the appointment of a sub-supplier or its replacement.

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

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

## 21. Organizational Model and Code of Ethics

The supplier acknowledges that Autotest has adopted a Code of Ethics inspired by ethics, professional integrity and independence and an Organizational Model based on the Decree no. 231/2001, which is published on the website [www.autotest.it](http://www.autotest.it). By signing the general conditions of purchase, the supplier declares to have checked and agreed the Code of Ethics and Organizational Model and to adapt its principles and behavior to the principles and duties stated in the above mentioned documents. In case of violation of the present article, the general conditions of purchase are annulled based on the provisions of article 1456 of the Italian civil code and Autotest is entitled to demand compensation for all damages.

## 22. General provisions

**22.2** In the case in which it has not been agreed otherwise in the Supply Agreement, with reference to its interpretation and any, eventual disputes, the law of the country where the purchaser has his registered offices shall be valid. The provisions established in the United Nations Convention, with reference to contracts, the international purchase of goods (the UN-Convention on Contract for the International Sale of Goods (CISG)) and the relative rules on private international law legislative disputes shall be explicitly excluded. Autotest and the supplier have agreed on the fact that any, eventual disputes, in relation to the Supply Agreement, shall be submitted to the court located in the jurisdiction where Autotest has its registered offices. Furthermore, Autotest shall be entitled to take legal proceedings against the supplier care off the courts in the jurisdiction where the supplier has his registered offices.

**22.2** 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.

**22.3** 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.

**22.4** All the amendments made must be drawn up in writing and must be executed by the supplier and Autotest, 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.

**22.5** 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.

**23. Additional parts of the General Conditions of Purchase**

Further parts integrating these General Conditions of Purchase are:

- the rules announced by Autotest to enter into the agreement;
- The Quality Control Agreement by Autotest

These documents must be considered as being an integral part of the agreement and must be observed and complied with by the supplier.

*Appendix to the Autotest Group General Conditions of Purchase*

**Particular legislation for Germany**

The particular legislation for Germany has been set forth in the appendix to the Autotest Group General Conditions of Purchase and shall be applied to the orders executed by Autotest Eisenach G.m.b.H in Germany.

In case of amendments to the General Conditions of Purchase, these shall prevail over the general conditions of purchase. All the remaining provisions concerning the General Conditions of Purchase shall remain the same.

**22. General Provisions**

Article 22.1 shall be amended as set forth below:

**22.1** The law of the German Federal 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-Convention on Contract for the International Sale of Goods (CISG)) 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 the Eisenach jurisdiction. In the case of legal proceedings brought by Autotest against the supplier; furthermore, Autotest may, at its own, unquestionable judgement, choose the jurisdiction of the place where the supplier's registered offices are located.

**Particular legislation for Italy**

The particular regulations for Italy represent an appendix to the Autotest Group General Conditions of Purchase and shall be valid concerning those orders executed by Autotest Südtirol G.m.b.H.

In case of amendments to the General Conditions of Purchase, these shall prevail over the general conditions of purchase. All the remaining provisions concerning the General Conditions of Purchase shall remain the same.

**22. General provisions**

Article 22.1 shall be amended as set forth below:

**22.1** 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 Autotest against the supplier; furthermore, Autotest may, at its own, unquestionable judgement, choose the jurisdiction of the place where the supplier's registered offices are located.

Updated in: August 2018

Read, understood and agreed.



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Signature: \_\_\_\_\_

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.

Article 3 – (**Contractual amendments**), Article 4 - (**Supplies – Terms of delivery**), Article 5 –(**Delays in delivery**), Article 6 – (**Shipment - Packaging – Risks during transport – Retention of title – Application of Incoterms**), Article 7 (**Prices and terms of payment**), Article 11 – (**Warranty**), Article 12 – (**Product liability - Exoneration – Civil Liability Insurance**), Article 14 (**Ordinary Termination**), Article 15 – (**Extraordinary Termination**), Article 17 (**Safety - The Environment – Dangerous substances - Exoneration**), Article 19 – (**Confidentiality – Advertising**), Article 20 – (**Sub-suppliers – Factoring forbidden – Set off**), Article 22 – (**General provisions - Particular provisions for Germany – particular provisions for Italy**).

Place, Date \_\_\_\_\_, \_\_/\_\_/\_\_\_\_

Signature: \_\_\_\_\_