

Purchasing Department

GENERAL TERMS AND CONDITIONS OF SUPPLY

1. APPLICATION: Except as otherwise provided by the special conditions indicated in each specific order, the supply is regulated by the general conditions of supply set out below and quality requirements attached to the order, which constitute the entire agreement between the parties and make any prior declaration or communication between the parties, including any condition or statement reported in any other document sent simultaneously, ineffective.

2. TIME OF CONCLUSION OF THE CONTRACT The contract is deemed concluded between the parties when Fiamma Spa receives duly signed order confirmation by the Supplier. We ask you to send the confirmation of all our orders, exclusively via e-mail, to the addresses indicated in our form.

3. MODIFICATION OF ORDER As per the specific needs of Fiamma, the order can only be modified in writing and the Supplier shall sign and send to Fiamma Spa confirmation containing the change.

4. DELIVERY OF PRODUCTS; PEREMPTORY TERMS The delivery of the specified order must be carried out in accordance with the conditions in the order. Any changes to these conditions must be authorised in writing by Fiamma Spa.

The terms of delivery specified in the order are binding.

5. QUALITY OF PRODUCTS The Supplier warrants that the Supply complies with the requirements of the order and its annexes.

The products must be made in a workmanlike manner, according to technical and safety standards in accordance with applicable national, European and international norms. The Supplier undertakes to particularly treat the quality of supply in strict accordance with specifications, with particular reference to the form of packaging and labelling, and ensuring that the products are properly cleaned and packaged. The Supplier guarantees that all deliveries conform to the technical, safety, packaging and waste disposal regulations. Any failure to do so may result in the non-acceptance or return of the goods by the logistic and quality department of Fiamma Spa according to par.9, or the termination of the contract and the application of the penalties referred to in the following sections.

6. EARLY DELIVERY In the event that the supply is delivered in advance of more than one week, prior to the contractual delivery date, provided that it has not been expressly requested, Fiamma Spa will have the option of:

(1) returning it at the risk and expense of the Supplier; or

(2) accepting it; in this case the invoice would be paid as per schedule at the date indicated in the order.

7. DELAYED or NON-DELIVERY, PENALTIES, TERMINATION In case of delayed delivery, Fiamma Spa will apply a penalty of 3% of the delivery value for each week of delay after a tolerated period of one week, up to 12% of the total order value. In any case Fiamma Spa can partially or completely cancel the order according to sections 9, 11 and 19 and obtain the supply from third parties.

In the event of termination, in addition to non-payment of services not carried out (and/or non compliant and/or biased services in the case of section 9 and 11) the penalty will be equal to 3% the value of the undelivered or defective supply.

The penalty is the damage for late or non-performance (even partial), without prejudice to the compensation of further damage.

It is understood and agreed that Fiamma Spa will have the right to withhold the amounts due to it as a penalty compensating them with payments which may be due to the Supplier.

8. DELIVERY AND TAKING CHARGE The successful delivery does not automatically constitute taking charge of the supply by Fiamma.

9. TAKING CHARGE, PRIMARY CHECKS ON DELIVERY, REFUSAL OF GOODS, PENALTIES The check in of delivery will be done by quality department of Fiamma Spa, which will have the right to refuse it if, on a primary visual examination, it does not comply with the requirements of the order, or in the case where flaws or defects are present. The supply will be refused or rejected at the risk and expense of the Supplier, unless the return is uneconomic: in this case it will be disposed of as waste by Fiamma with expenses attributable to the penalty applied.

In case of refusal, in fact, there's the same scenario of delayed delivery penalties specified in section 7 and Fiamma will apply the same penalties described in sec.7 due to costs arising from possible system failures and/or non-sale, it being understood that the Supplier must in any case supply, before the new deadline assigned by Fiamma, a new consignment free of flaws and defects, unless Fiamma carries the sole right under section 11 and 19 to not accept late remedial supplies and opt for the termination of the contract and to issue the debit note for the flawed delivery (even in the latter case, if the return is uneconomic, it will be disposed of as waste by Fiamma with expenses attributable to penalty applied)

The application of the penalty, doesn't affect the right of Fiamma to claim further damages

Taking ownership and charge of goods does not, however, exempt the Supplier under the warranty for defects and flaws.

10. COMPLAINT Any non-compliance or defect of the supply will be communicated in writing to the Supplier at the end of the procedure of taking charge or during processing and/or assembly of the product, within 30 days of discovery, even in the event that the provision had already been paid, and provided that a period of 24 months from the date of taking charge of supply have not passed.

11. WARRANTY, LIABILITY, PENALTIES The Supplier shall be liable for any defective or otherwise spoiled products, or if they do not comply with design specifications provided by Fiamma (or depart from the standards of quality provided above) for a period of 24 months from the date of taking charge of supply.

In the case of components, the warranty is two years after the end product, in which the component is inculcated, is purchased and installed by the consumer (European Directive 1999/44 / EC as amended)

In case of discovery of defects and flaws within the aforementioned term of 24 months, Fiamma could - at its sole judgment- request the replacement of faulty part before the new deadline assigned by Fiamma or opt for the termination of the contract and issue a debit note for flawed delivery.

In cases where the refund is considered uneconomic, it will be disposed of as waste by Fiamma at the expense of the Supplier, subject to the application of the penalties specified in paragraphs 7 and 9.

12. PRICES The prices indicated in the order are considered unchanging-until completion of the supply. Payments will be made in compliance with the order established, provided that:

(1) A valid invoice has been issued;

(2) The goods are not the subject of proceedings relating to paragraphs 8 and 9.

13. CONSEQUENCES OF FAILURE Possible breach of contract, communicated to the Supplier under these terms and in relation to one or more orders in place, will give the right to the suspension of payments by Fiamma Spa until the Supplier has not remedied.

14. PROHIBITION OF TRANSFER OF CONTRACT AND CREDIT The contract is not transferable or assignable by the Supplier to third parties without the consent of Fiamma, as it is forbidden to sub-contract without the consent of Fiamma. The Supplier will however be free to organise its own activities independently in the manner it deems most appropriate. Fiamma will therefore remain foreign to any contracts of any nature that the Supplier will enter into with third parties.

The payment arising from the Order cannot in any case be transferred or assigned to third parties.

15. OBLIGATIONS OF THE SUPPLIER The Supplier, for all phases relating to the supply, must use its qualified and/or specialist personnel whose conduct is liable for damage, delays, errors and/or omissions. For executing the supply, the Supplier undertakes to fully implement all the provisions contained in the collective agreement relating to its employees, that in force for the time and in places where a similar provision is active. The staff operates under the sole responsibility of the Supplier.

16. PROPERTY, EXCLUSIVE USE, LIABILITY FOR MOULDS, DESIGN AND MATERIAL, INDUSTRIAL PROPERTY AND KNOW-HOW, TRADEMARKS COPYRIGHTS The moulds, equipment and facilities are loaned for use, and they should be maintained with the utmost care and routine maintenance to ensure efficiency over time. The use of Fiamma Spa's equipment and moulds shall be made exclusively for productions commissioned by Fiamma Spa or on its behalf.

The Supplier recognises exclusive use of Fiamma Spa's moulds, equipment and facilities as well as the exclusive Fiamma Spa's property of the drawings and any other document or information acquired during the business dealing with Fiamma; it is prohibited for the Supplier to transfer moulds, equipment and facilities, drawings and any other document or information to third parties without explicit written authorisation of Fiamma Spa.

All materials, equipment, machinery, moulds and drawings of Fiamma Spa shall be returned to the same upon written request within 30 days of the request.

The Supplier is liable for any shortages of semi finished materials to be delivered by Fiamma, in accordance with the material consumption estimates given in the order.

The Supplier agrees not to disclose to third parties the designs or products which are entrusted and commissioned by Fiamma or that are related to the Fiamma brand; the Supplier will not produce and sell the aforementioned products and goods on its own account. The Supplier agrees, finally, neither to register or to have registered trademarks, names or distinctive signs of the Fiamma spa company and nor to register or to have registered names or trademarks confused with those of Fiamma Spa

The Supplier acknowledges that Fiamma internally manages, with its own dedicated resources, the creation and development of products and recognises that all industrial or intellectual property rights and the *know-how* relating to the products are its exclusive property.

17. CODE OF CONDUCT Fiamma Spa has approved a separate Code of Conduct that sets out the principles to be followed by the Supplier while carrying out certain activities. This code is available on the website www.fiamma.com > Suppliers Area and, although not physically attached to these conditions, it is a part and parcel of the same.

18. PRIVACY All information and data contained in the order and its annexes shall be considered strictly confidential and used for the purposes of the order and shall not be disclosed to third parties. The Supplier also undertakes not to disclose to third parties any information or reference on Fiamma, its organisation, or volumes or target markets or production processes, namely trade or business secrets even after the termination of commercial relationships.

The supplier shall not advertise the order without the prior written approval of Fiamma Spa.

19. CAUSE OF CONTRACT TERMINATION Fiamma Spa may terminate all or part of the order, in the cases listed below:

(1) Non-delivery of the Supply on the agreed delivery dates;

(2) Failure of the supply to meet the technical and quality requirements of Fiamma Spa as highlighted by the current regulations and the order;

(3) in the event that the Supplier defaults on their obligations under the contract and in particular (by way of example) the obligations set out in sections 16 and 18 (disclosure of confidential information, breach of use exclusive designs, materials, trademarks and brands, ban on production and sale on its own) and in any case in the event that the Supplier and/or its partners and/or employees are found to have transferred to third parties, information, data, figures or materials which may have come into the possession or knowledge by virtue of the contractual relationship established with Fiamma;

(4) If the behaviour of the Supplier or its employees will irreparably harm the image and good name of Fiamma;

(5) In the event that the Supplier advertises this Agreement without the prior written consent by Fiamma;

(6) breach of the Code of Conduct referred to in section 17

(7) If the Supplier, which has substantially defaulted on any of the obligations under this contract and fails to promptly remedy them within the period prescribed by Fiamma;

It is understood that the above termination does not affect the right of Fiamma to exercise the rights under the present general conditions and the law.

20. CANCELLATION, TERMINATION Upon termination of this contract or the term of the supply, the Supplier will immediately cease to use the mark, moulds, drawings and any other relevant material that is a copyright of Fiamma, as well as to identify its business as a manufacturer for Fiamma, regardless of any disputes regarding cause of employment termination. All materials, equipment, machinery, moulds designs of Fiamma Spa's brands, will be returned to it within 30 days of the termination or cancellation of the contract.

21. APPLICABLE LAW, FORUM For what is not expressly provided in these conditions, the contract is governed by UN Convention on Contracts for the International Sale of Goods (CISG) signed in Wien (04.11.1980). Any dispute regarding the interpretation, application, implementation, validity and execution of the contract will be un