

General Terms & Conditions for the Sourcing of Products and Services (August 2019 Version - Italy)

1. Scope and Application of these Terms and Conditions

- 1.1. The present terms and conditions ("**Terms and Conditions**") govern the contractual relationship between Cavotec Italy ("**Cavotec**"), with registered seat in Via Gaetana Agnesi 3, 20834 Nova Milanese, Italy, and the supplier ("**Supplier**"). Unless otherwise agreed in writing, they apply to all purchasing and sourcing products or services ("**Products**" or "**Services**") by Cavotec.
- 1.2. Individually negotiated contract terms shall prevail over the present Terms and Conditions, provided they have been set out in writing (including email).
- 1.3. Any general terms and conditions of Supplier shall be inapplicable, unless otherwise agreed by both parties in writing in a specific case.

2. Order Process

- 2.1. Cavotec may from time to time purchase Products or Services by placing orders with Supplier ("**Orders**").
- 2.2. The acceptance of the Orders placed by Cavotec shall be confirmed in writing (including email or IT Supplier platform) by Supplier within three working days. If the Order has not been confirmed within three working days, it shall be considered as accepted.
- 2.3. Prior to the receipt of acceptance of the Order from Supplier, Cavotec may amend, modify and/or cancel the Order at no expenses.

3. Specifications and Supply Chain Compliance

- 3.1. All Products or Services provided by Supplier shall strictly comply with specifications and other contractual requirements communicated by Cavotec in the Orders or otherwise, as well as with all applicable laws and regulations concerning the Products and Services.
- 3.2. Supplier shall ensure that its manufacturing and procurement processes comply with all applicable laws, regulations and standards, including in particular labor law and environmental standards.
- 3.3. Cavotec conducts its business with integrity and with respect for the interests of others. Our principles and directives are outlined in Cavotec's "Code of Conduct" (<http://www.cavotec.com/en/legal-information/terms-conditions>). Supplier shall read and understand Cavotec's Code of Conduct and shall commit itself to fulfill the same principles and respect the same standards when conducting business with Cavotec.
- 3.4. Supplier shall ensure that all third parties involved in the manufacturing of Products and development of Services, including by supplying raw materials, comply with all applicable laws, regulations and standards. At Cavotec's request, Supplier shall provide Cavotec with information about all sub-contractors involved in the manufacturing or sourcing of Products or Services, including by supplying raw materials ("Sub-Contractors").

4. Suspension and Modification Rights

- 4.1. Cavotec reserves the right (without any compensation to the Supplier) to postpone the delivery date of all or some of the ordered Products and/or Services. Max. suspension period shall be 120 days.
- 4.2. After the receipt of acceptance of the Order from Supplier, Cavotec may change or cancel an Order in whole or in part. In this event, Cavotec shall reimburse the Supplier for reasonable proven actual costs and expenses incurred by the Supplier which are directly related to the change or cancellation of the Order. The Supplier shall provide sufficient documentation for the reimbursement within 30 days after the modification/cancellation notice has been issued.
- 4.3. Shall the Supplier fail to comply with Clause 4.2., no costs or expenses will be refunded.

5. Delivery and Packing

- 5.1. Supplier shall deliver the Products or Services and relevant documents (e.g. material certificates, test reports, etc.) within the deadline and to/at the place of delivery specified by Cavotec, acting at its own cost and risk. Supplier shall be liable for any losses, delays or additional expenses caused by a non-compliant or delayed delivery of Products or Services.
- 5.2. In the absence of specific requirements by Cavotec, Supplier shall carefully package Products in accordance with applicable rules and best commercial practices. Preference shall be given to environmentally-friendly packaging materials. All packing units shall be accompanied by a delivery order showing the content and order number, details of the origin and applicable custom tariff numbers of the Products or Services, as well as other information required in the Order. Supplier shall fully indemnify Cavotec in the event that any costs or duties should be imposed on Cavotec due to information lacking in the delivery order.
- 5.3. Unless otherwise specified in the Order or agreed in writing on a case by case basis, Supplier shall cover all customs duties as well as transportation and insurance cost up to the agreed place of delivery.
- 5.4. Delivery deadlines specified in the Order are binding, and Supplier shall automatically be in default upon the expiry of the agreed delivery date or deadline. Partial or advance deliveries must be approved in advance and in writing by Cavotec.
- 5.5. Title and risk to the Products or Services shall pass from Supplier to Cavotec at the time of delivery, where "time of delivery" means that the Product/Service has reached the agreed delivery place at the agreed delivery conditions.
- 5.6. To the extent the purchase of Products or Services involves any software, Cavotec shall, by virtue of the transaction concluded with Supplier, acquire the unrestricted, perpetual right to use, reproduce and resell the software, or the Products and Services in which the software is incorporated, including through integration into Cavotec's products and services ("**Cavotec Products**" or "**Cavotec**

Services"). Additionally, Cavotec shall have the right to copy the software for security purposes.

6. Delayed Performance

- 6.1. If Supplier expects that it will not be able to supply Products or Services ordered by Cavotec at the agreed time, it shall promptly inform Cavotec in writing about the delay, its reasons, appropriate mitigation measures and the expected new delivery date.
- 6.2. For each full week of delay, Supplier shall pay liquidated damages in an amount of 2% of the value of the Order concerned up to a maximum amount of 10% of the price specified in the Order ("**Price**").
- 6.3. Notwithstanding the provisions of Clause 6.2 above, Cavotec has the right to annul the Order with immediate effect in writing in case performance is delayed by more than ten (10) calendar days starting from the delivery deadline or date specified in the Order.
- 6.4. The payment of liquidated damages pursuant to Clause 6.2 does not affect Cavotec's legal and contractual rights and remedies for delayed performance. In particular, Cavotec shall have the right to claim additional damages for proven costs.

7. Inability to perform

- 7.1. Should the Supplier be unable to complete Cavotec's Order, it shall promptly inform Cavotec and develop, document and implement corrective actions within 14 days, in order to meet Cavotec's requirements.
- 7.2. Should the Supplier fail to comply with Clause 7.1., Cavotec may, at its sole discretion (i) terminate the relevant Order with immediate effect at no charge by giving written notice to the Supplier or (ii) obtain substitute Products and/or Services from a Third Party at Supplier's expense.

8. Prices and Payment Terms

- 8.1. Unless otherwise agreed, all Prices quoted by Supplier or foreseen in an Order shall be split as per quantity, unit price, discount percentage and final total amount. VAT application will follow type of Product and/or Service purchased and dedicated rules related to the Supplier. Any other costs linked to the order (including in particular freight charges, custom duties, levies etc.) will be agreed between the Parties on a case-by-case basis.
- 8.2. Supplier shall issue its invoice to Cavotec after completion of the delivery of Products or Services ordered. The invoice shall be sent to the address indicated in the Order. Cavotec shall effect payment within 90 calendar days.

9. Examination and Acceptance

- 9.1. Cavotec shall inspect Products or Services upon receipt and in the event that they are determined to be defective or not corresponding to contractual requirements, it shall notify the Supplier within 8 days from the handover of such Products or Services in case of visible defects and within 8 days from the discovery in case of hidden defects. Without prejudice to any applicable warranty under law, and unless

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otherwise agreed in writing, Supplier warrants the Products and Services for a period of twenty-four (24) months after the date of final acceptance of the Products and Services at Cavotec's customer site or thirty (30) months after completion of the delivery, whichever occurs first.

- 9.2. Products or Services which are not in accordance with the specifications or any other contractual requirements mentioned or referred to in an Order can be rejected and returned by Cavotec upon receipt at the expense of Supplier.

10. Warranty

- 10.1. Supplier warrants and guarantees that the Products or Services will strictly correspond with all contractual requirements, including in particular specifications mentioned or referred to in the Order, will be good, of good quality and fit for their purpose, as well as comply at all times with all applicable laws and regulations. Supplier also warrants and guarantees that the Products and Services will not violate any rights of third parties.
- 10.2. In case of defects, subject to the provisions of article 9.1 above, Cavotec shall have the right to request Supplier, at its own discretion, to replace or repair the defective Product or Service. All costs and expenses shall be borne by Supplier.
- 10.3. If Supplier fails to repair or replace the defective Product or Service within a reasonable timeframe set by Cavotec, Cavotec shall have the right to cancel the Order and/or to obtain substitute Products or Services from a third party at the expense of Supplier.
- 10.4. Cavotec's right to claim damages for profits or indirect losses remains fully reserved.

11. Liability

- 11.1. In the event of a breach of these Terms and Conditions or the Order, Supplier shall have to fully indemnify Cavotec for any losses, damages or expenses incurred, unless such losses, damages or expenses are shown to have been caused by Cavotec in a grossly negligent or intentional manner without any responsibility of Supplier.
- 11.2. Supplier shall be liable for the conduct of its employees, agents, Sub-Contractors, raw material suppliers and other auxiliary persons in the same way as for its own conduct.

12. Intellectual Property Rights

- 12.1. Supplier acknowledges that all intellectual property rights relating to Products or Services developed or manufactured for Cavotec, in particular all know-how, patent rights, design rights, copyrights and related rights, database rights, or trademark rights (collectively "**Intellectual Property Rights**"), shall automatically become the exclusive property of Cavotec upon their creation. To the extent that any such Intellectual Property Rights should not automatically accrue to Cavotec, Supplier herewith fully assigns such Intellectual Property Rights to Cavotec. Supplier warrants that it has taken adequate steps to ensure

that the transfer and assignment of Intellectual Property Rights also fully extends to any employee inventions.

- 12.2. Supplier shall not use, multiply, modify, distribute or further develop any Products or Services developed or manufactured for Cavotec in any form, in whole or in part, without Cavotec's prior written consent.
- 12.3. In the event that Supplier should become aware that Cavotec's Intellectual Property Rights may be infringed, it shall inform Cavotec thereof as quickly as possible and shall assist Cavotec in order for it to take the necessary measures to protect its Intellectual Property Rights.

13. Confidentiality

- 13.1. Confidential information of Cavotec regarding the Products or Services, their intended use by Cavotec, Cavotec's specifications and/or the technologies and software underlying the Products or Services, Cavotec's terms of collaboration with Supplier, operational, financial, or other business information relating to Cavotec and/or its affiliates ("**Confidential Information**") shall be kept confidential by Supplier. In particular, Confidential Information shall not be disclosed to any third parties without Cavotec's prior written agreement, unless specifically required by a final judgment or order by a competent governmental authority, court, tribunal, or regulatory body.
- 13.2. Supplier shall only disclose Confidential Information to its employees, agents, Sub-Contractors and other auxiliaries on a need-to-know basis. It shall be responsible for ensuring that any person obtaining Confidential Information is aware of and strictly abides by the confidentiality requirements of these Terms and Conditions. Supplier shall be liable for any breach of confidentiality committed by its employees, agents, Sub-Contractors or other auxiliaries.
- 13.3. The obligations pursuant to this Clause 13 shall not apply to any Confidential Information which (i) has entered the public domain other than as a result of Supplier's breach of its confidentiality obligations, (ii) has been lawfully received by Supplier from a third party on an unrestricted basis, (iii) was known to Supplier prior to disclosure by Cavotec, or (iv) was independently developed by Supplier.

14. Force Majeure

The Parties shall not be liable for any delay or failure to perform any of their obligations if the delay or failure results from unforeseeable events or circumstances outside their control, including but not limited to acts of God, war, fire or natural catastrophes ("**Force Majeure Event**"). The Party affected by a potential Force Majeure Event shall notify the other Party no later than five (5) calendar days after information about the potential Force Majeure Event has become available and liaise with the other Party in order to determine adequate mitigation measures. A failure to take reasonable mitigation measures shall lead to liability pursuant to these Terms and Conditions and the applicable law.

15. Permits and Licenses / Compliance with Laws

- 15.1. It is Supplier's sole responsibility to ensure that it disposes of the necessary permits or licenses to manufacture and provide the Products or Services. Supplier shall promptly provide Cavotec with any documentation or information which Cavotec may need to obtain any import licenses, or to fulfill any other regulatory requirements.
- 15.2. Supplier is aware of and understands that the Products may be subject to economic or financial sanctions or trade embargos imposed, administered or enforced by the United Nations, the United States of America, the European Union and/or other countries' applicable export control laws. Supplier therefore undertakes to provide Cavotec with all necessary export control information relating to the Products and Services (such as ECCN-numbers, Country of Origin and amount of US origin content) in the format requested by Cavotec and to update such information in case there are any changes to the Products or Services including any parts thereof and previously supplied products. If Supplier does not provide the necessary information, Supplier hereby warrants and represents that no Product or Service (including any parts thereof) delivered under this Contract or any party relevant to any transaction hereunder such as banks, is subject to any export or international trade control restrictions. For the sake of clarity, Supplier's failure to comply with this Article 15.2 shall constitute a fundamental breach of this Contract. Supplier is under all circumstances responsible for screening its sub-suppliers.
- 15.3. Supplier undertakes to at all times comply with all applicable laws and regulations concerning the manufacturing, trade and use of Products or Services, including, but not limited to customs and foreign trade regulations, environmental laws, transport regulations, health and safety regulations and insurance requirements. In case compliance with all applicable laws and regulations requires any information or data by Cavotec, Supplier shall inform and advise Cavotec as early as possible, but not later than when confirming the Order.
- 15.4. Supplier undertakes to at all times adhere, and ensure adherence by any employees, agents, Sub-Contractors, raw material suppliers and other auxiliary persons to the policies and provisions of Cavotec's Code of Conduct.
- 15.5. Supplier or persons acting on its behalf shall not, either directly or through intermediaries, seek, accept, offer, promise or give any payments, fees, loans, services or gifts from or to any person or firm, whether public or private, in order to obtain, retain or grant an improper business or other advantage.
- 15.6. Supplier shall, during the continuance of its contractual relationship with Cavotec, maintain insurance, acceptable to Cavotec in coverage and scope, to cover itself, its employees, and its representatives for personal injury, property damage, workman's compensation, product liability and other types of liability for which insurance is required to be maintained by law applicable to the Supplier's activities.

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- 15.7. Supplier shall be liable for any expenses or damages incurred by Cavotec due to a violation of its obligations under this Clause 15.

Date _____

Cavotec Ltd

16. Books and Records and Audit Rights

- 16.1. Supplier shall maintain adequate and accurate books and records with respect to Cavotec's sourcing activities for Products and Services.
- 16.2. Cavotec shall have the right, during reasonable business hours, to inspect Supplier's books and records as well as manufacturing and logistics operations of Supplier (including any Sub-Contractor). Supplier and any Sub-Contractors shall take corrective actions, if any, proposed by Cavotec further to such audit or inspection within a timeframe approved by Cavotec.

(Signature)

Date _____

Supplier

(Signature)

17. Amendment and Severability

- 17.1. Subsequent amendments to these Terms and Conditions by Cavotec shall automatically become an integral part of the contractual relationship between Cavotec and Supplier, unless Supplier objects in writing within thirty (30) calendar days from the notice sent by Cavotec highlighting the changes to these Terms and Conditions.
- 17.2. In case a Clause of these Terms and Conditions should be deemed invalid or unenforceable by any competent authority having jurisdiction, the other Clauses of these Terms and Conditions shall nonetheless remain valid.

The Supplier declares of having read and specifically accepted, pursuant to sections 1341 and 1342 of the Italian Civil Code, the clauses listed below: Art. 3.3; Art. 4.1; Art. 5.1; Art. 6.2; Art. 7.2; Art. 9.1; 11; 13.2; 14; 15.1; 15.2; 18.2.

Supplier

(Signature)

18. Applicable Law and Jurisdiction

- 18.1. These Terms and Conditions, and all transactions made further to them, shall be subject to Italian law, excluding the UN Convention on Contracts for the International Sale of Goods.
- 18.2. The exclusive place of jurisdiction for all disputes arising out of or in relation with the present Terms and Conditions, and any transactions made further to them, shall be in Milan, Italy.