

GENERAL TERMS AND CONDITIONS OF SUPPLY

March 2023

1. Definitions

1.1 Capitalized terms in these General Terms and Conditions shall have the meaning given to them in this article.

Casting: Means the metal products manufactured by the Foundry through a melt and casting process.

CF (or the Foundry): Means Cestaro Fonderie S.p.A., with registered office in 36050 Bressanvido (Vicenza), via dell'Artigianato 34, Italy.

Client: Means the company which purchases the Castings.

Confidential Information: Means any confidential data, information and/or document shared between the Parties even before the signing of the Contract that has been transmitted in writing, on paper or in other information devices, directly or indirectly even through another person and which has been expressly qualified as "reserved", "secret", "owned" or with other similar expressions. In any case, information related to CF, its productive and commercial structure as well as its studies shall be expressly qualified as Confidential Information.

Contract: Means the Supply contract the Client and CF entered into with each other; unless otherwise agreed by the Parties, the Contracts shall include (i) the Request for an Offer, (ii) the Offer, (iii) the Order, (iv) the Order Confirmation, (v) the Technical Specifications, (vi) the GTCs.

Default Interest: Means any sum due for the delay in paying the Price as provided for by the Italian law (Decreto Legislativo n. 231 del 9 ottobre 2002 and following amendments).

Delivery Date: Means the date provided for by art. 4.1 of these GTCs.

Digital Device: Means any material device where digital documents are suitable to be stored in.

European Foundry Association (CAEF): Means the association of European Foundries among the following Countries: Germany, Austria, Belgium, Denmark, Finland, France, Great Britain, Italy, Norway, Lithuania, The Netherlands, Poland, Portugal, Czech Republic, Spain, Sweden, Switzerland, and Hungary.

General Terms and Conditions (GTCs): Means these general terms and conditions of supply of metal Castings.

Insert: Means any component made of different metal, which is separately produced and thereafter inserted in the Casting during the melting process.

Inspection: Means the control of the Castings produced by CF, particularly with regard to their compliance with the technical specifications reported in the Specification.

Intellectual Property Rights (IPR): Means any and all intellectual and industrial property right that the law reserves to the natural or legal persons which designed the Castings supplied by the Foundry.

Liquidated Damages: Means the amount provided for by art. 4.1.2 of these GTCs.

Notice of Goods Ready: Means the notice provided for by art. 4.2.1 of these General Terms and Conditions.

Offer: Means CF's economic offer for the production of Castings, patterns, tools and moulds issued at Client's demand as reported in the Request for an Offer.

Open Order: Means an order whose delivery date has already been set and for which CF has already arranged the production, but that the Client still has the possibility to revoke or cancel, with no prejudice to the obligations set forth by art. 3.6 of these GTCs.

Order: Means the Client's Order to CF for the supply of Castings. If requested by the Client, the Order shall also include the Inspection and shall therefore indicate the Castings' parts to be controlled as well as the classes of hardness.

Order Confirmation: Means CF's confirmation of the Order issued by the Client.

Party: Means CF, the Client or both of them if plural.

Payment Terms: Means the conditions applicable to the Client under which the Price shall be paid; Payment Terms include: (i) expiry date of the due payment(s), (ii) the possibility to pay in instalments, if accorded by CF, (iii) payment methods, (iv), the Foundry's bank account.

Period of Warranty: Means the period provided for by art. 11.1.1 (iii) of these GTCs.

Period of Storage: Means the period provided for by art. 6.3.1 of these GTCs.

Preliminary Obligations: Means any obligation the Client shall fulfil in order to enable CF to start the Castings' production such as, by way of example, the exhibit of documentation and execution details, materials supply and Tools's supply when the Client is the sole responsible for its realisation.

Price: Means the amount in currency that the Client shall pay to CF for the ordered Castings as provided for by art. 5.1 of these GTCs.

Request for an Offer: Means the document issued by the Client to CF requiring an estimate of costs for a specific Supply described therein.

Sample Casting: Means any sample/prototype of Casting requested by the Client, manufactured by CF based on the technical specifications reported in the Technical Specifications and sent by the Foundry to the Client for approval.

Supply: Means the supply of (i) ferrous and non-ferrous metal Castings, patterns, Tools and moulds, being they composed or assembled, as well as (ii) related services agreed with the Client.

Technical Specifications: Means the document agreed by the Parties, which reports the ordered Castings technical specifications, including but not limited to rules and classes of hardness, tolerances of any kind, rules for inspections, rules and extensions of Inspections as well as the dimension of each component and, when the Castings are composed of different parts welded by the Foundry, the identification and the extension of the weld zone.

Tools: Mean the tools and patterns necessary for the production of the Castings, such as, by way of example, core boxes, templates, usage and control devices, moulds, etc.

Tolerance: Means (i) the difference between the Castings' number initially agreed by the Parties and the number of those actually produced and delivered by CF, when the Castings are mass-produced, or (ii) the tolerance in metallurgic characteristics provided for by the Specification.

Warranty: Means the Castings' warranty provided by art. 13.1.1 of these GTCs.

1.2 In the Contract, unless otherwise specified in writing or inferred from the context:

- (i) references to articles, premises or Annexes shall be considered as made to articles, premises or Annexes of the Contract;
- (ii) capitalized terms defined under art. 1 can be used in singular and/or in plural whenever the context so requires;
- (iii) references to a natural or legal person shall include its universal or specific successors in title, as provided by the law.

2. Scope of application

These GTCs, which are an integral part of the Contract, regulate the terms and the conditions under which **CF** shall supply the Client with the Castings.

3. Agreement of the Contract

3.1 The Client shall send to CF the Request for an Offer and the Order jointly with the Technical Specifications and in accordance with the provision set forth under art. 17 of these GTCs. Likewise, CF shall provide the Client with the Offer and the Order Confirmation jointly with the Technical Specifications in its final and binding version.

3.2 Both in the Order and in the Order Confirmation, Parties are required to:

- (i) indicate the exact number of Castings that CF shall supply to the Client; in case of mass-produced Castings indicated in the Order and in the Order Confirmation, the Client grants CF a Tolerance whose value shall be established by mutual agreement between the Parties or, in the absence thereof, shall be equal to 5%, both upwards and downwards.
- (ii) make reference to the technical specifications already included in the Specification.



- 3.3 The Request for an Offer, the Offer, the Order and the Order Confirmation shall be drafted and issued through a Digital Device and, if requested, shall be delivered in hard copy. Should the above-mentioned documents be issued both through a Digital Device and a hard copy, in case of discrepancies the hard copies, duly signed, shall prevail.
- 3.4 CF's waiver of the Offer before the expiry of the term included therein by which the Client has the right to accept shall be ineffective. On the contrary, CF is entitled to waive the Offer in any moment when it does not provide for a term of acceptance. Should the Parties not be able to reach an agreement with regard to the Technical Specifications and/or to the Castings to be produced based on the Sample Castings that CF may have submitted to the Client for its prior acceptance, the Offer shall be deemed as waived.
- 3.5 When the Client requires the application of a Quality Assurance system, such request shall be included both in the Request for an Offer and in the Order issued by the Client; CF shall confirm the request in its Offer and Order Confirmation.
- 3.6 After submitting the Order to CF, the Client shall not be entitled with the right to waive it. In case of unlawful waiver of the Order, the Client shall pay CF:
- (i) any and all costs incurred so far, including those related to the raw materials purchase and to the works completed so far;
 - (ii) the loss of profits that CF could have realised from the Order;
 - (iii) any and all damages suffered by CF as a direct or indirect consequence of the unlawful waiver of the Order.
- When referred to Open Orders, the waiver shall be effective with regard to both the quantities that have already been manufactured as well as those in production, without prejudice to the Client's obligation to refund CF the price of raw materials supplied as a consequence of the received Open Order.
- 3.7 Unless otherwise agreed in writing by the Parties, the Contract shall enter into force when the Order Confirmation is issued and the Parties shall not be entitled with the right of withdrawal.

4. Delivery

4.1 (Delivery Date)

- 4.1.1 Unless otherwise agreed in writing by the Parties, the Delivery Date shall be calculated as of the date in which the Client fulfilled all its Preliminary Obligations, with no prejudice to the possibility to postpone the Delivery Date for as long as it takes to the Client to fulfil the said Preliminary Obligations. Nonetheless, if the delay hampers other clients' production slots the Delivery Date shall be rescheduled in good faith by mutual agreement between the Parties. In any case, unless otherwise indicated in the Order Confirmation, the Delivery Date shall not be considered as mandatory.
- 4.1.2 In case of late delivery, if the Delivery Date has been considered mandatory by mutual agreement between the Parties CF shall pay liquidated damages only if specifically provided so by the Order Confirmation. In any case, the Parties hereby agree that liquidated damages shall not be higher than five percent of the price of the products to be delivered by CF, taxes, fees and other costs excluded. It is expressly agreed that CF shall not be liable for any liquidated damage or penalty due by the Client to its final client, unless otherwise specifically agreed in writing by the Parties and provided that a reference to the specific amount of the liquidated damage is made in the Order Confirmation.
- 4.1.3 The Parties mutually agree that Liquidated Damages, when due, shall be determined based on the effective damage directly suffered by the Client, as well as the loss of profits. When accepting the payment of liquidated damages, the Client waives its right to receive any sum whatsoever due by CF as



a consequence of its late delivery, unless this is due to the Foundry's wilful misconduct or gross negligence.

4.2 *(Delivery and transfer of risks)*

4.2.1 Once the Castings are manufactured, CF shall inform the Client by sending a Notice of Goods Ready. Within the following 10 (ten) days, the Client shall collect the Castings that CF will deliver Ex-Works (EXW – Incoterms 2020) at its premises 36050 Bressanvido (VI), via dell'Artigianato 34, unless otherwise agreed in writing by the Parties.

4.2.2 Castings shall be delivered in the conditions described in the Order Confirmation or, in absence thereof, at crude state, fettled and feedered.

4.2.3 Delivery shall be made (i) directly to the Client or, as an alternative (ii) to the carrier indicated in the Order or, should no carrier be indicated by the Client, (iii) to a carrier of CF's choice.

4.2.4 Failing of the Client to collect the Castings within 10 (ten) days as of the date of the Notice of Goods Ready pursuant art. 4.2.1 and in any case in which the delivery cannot be completed for reasons not ascribable to CF, the latter shall be entitled, at its discretion:

(i) to terminate the Contract and to sell the Castings to third parties or, if it is not possible to sell the Castings, to scrap them;

(ii) to store the Castings in its premises or in another warehouse and to charge the Client with the relevant costs; should the Castings be stored in CF's own premises, the Client will be charged by taking into consideration the size and the weight of the Castings for each day of storage after the expiry of the tenth day following the Notice of Goods Ready.

(iii) To ship the Castings to the Client, charging the latter with the relevant costs and expenses.

In any of the above-mentioned cases, CF's obligation to promptly deliver the Castings shall be deemed as fulfilled at the delivery date indicated in the Notice of Goods Ready.

4.2.5 The risk of perishing or damaging the Castings is transferred to the Client at the delivery to the Client itself or to the carrier designated by the Client or CF or, in the case described under art. 9.4 below, at the date of delivery indicated in the Notice of Goods Ready. The Parties expressly agree that the ownership of the Castings is reserved to CF until the Price's full payment, as provided by art. 12 of these GTCs.

4.2.6 Unless otherwise provided by the Order Confirmation or by another written agreement signed by the Parties before the delivery:

(i) CF is expressly entitled to proceed with partial delivery of the goods;

(ii) the Client is not entitled with the right to modify the Delivery Dates and the terms indicated in the Order Confirmation;

(iii) CF is entitled to suspend the Castings' delivery when (a) the Client is not in solid financial conditions and therefore its capacity to promptly fulfil its payment obligation is undermined; (b) the Client has not promptly fulfilled its payment obligations towards CF, even if with regard to other contractual relationships between the Parties and in any case up until the entire payment of the due sum and/or appropriate guarantees for the ongoing deliveries and in with no prejudice to CF's right to compensate any damages

5. Price and Payment

5.1 *(Price)*

5.1.1 The Price for the Supply of the Castings shall be indicated in the Order Confirmation. Unless otherwise provided therein, the indicated Price shall include the Order as a whole but excludes any taxes, levies and possible discounts. When the Castings' Price is charged by weight, the value indicated in the Order



Confirmation shall be intended as merely indicative, it being agreed that only the value determined at the end of the manufacturing process, at the moment of the Castings' delivery at the Foundry's premises, shall prevail.

- 5.1.2 Unless expressly excluded by the Order Confirmation, CF shall be entitled with the right to raise the Price pursuant art. 13.2.1 in the event of, by way of example without prejudice to the generality of the foregoing, variations regarding exchange rates, raw materials' costs, energy costs, labour costs, transportation costs and other costs related to the Order occurred between the date of the Order Confirmation and the date of the Notice of Goods Ready.
- 5.1.3 In case the Parties agree to modify the Payment Terms, the Client still shall be charged with any and all additional costs (storage, administrative costs, etc.) as well as tax costs deriving therefrom, which shall be paid by the Client promptly upon the receiving of the relevant invoice issued by the Foundry.
- 5.2 *(Payment)*
- 5.2.1 Unless otherwise agreed in writing by the Parties, any and all payments due under the Contract shall be made on the bank account indicated in the Order Confirmation. Payments made on different bank accounts indicated in e-mails or other means of communication shall be ineffective and therefore they shall be repeated, unless actually collected by CF. It is therefore agreed that CF shall not bear the risk of hackers' intrusions in its communications with the Client.
- 5.2.2 Payment Terms shall be regulated by the Order Confirmation. In absence thereof, the Price shall be paid by and no later than 30 (thirty) days as of the date of issuing of the relevant invoice. Unless otherwise agreed in writing between the Parties, with regard to the costs borne by the Foundry for the manufacturing of the Tools, the above mentioned thirty-day term shall run from the date when the Sample Castings are made available.
- 5.2.3 Should the Client not pay the Price pursuant the Payment Terms, CF shall be entitled, alternatively:
- (i) to prevent the Client from paying the Price in instalments, even if provided so by CF in the Payment Terms, and therefore to claim for the immediate payment of any due sum, as well as to suspend any ongoing delivery;
 - (ii) to terminate the Contract and withhold the Tools, as well as the Castings stored in the Foundry's premises until payment of the relevant damages takes place.
- 5.2.4 Any Castings defects, even if acknowledged by CF, as well as CF's late delivery shall not entitle the Client with the right to suspend any payment due to the Foundry, including those arising from other contractual relationships.
- 5.2.5 In no case shall the Client be entitled with the right to set off any sum due to CF with possible credits towards the latter.
- 5.2.6 Default Interest provided by the Italian law shall apply to the sums mentioned in the previous paragraphs, whenever due, without a formal notice being necessary.

6. Tools

6.1 (Supply of the Tools)

- 6.1.1 The Tools shall be supplied by the Client, which shall be entitled to entrust its production to CF at the price and conditions from time to time agreed by the Parties. In such a case, CF shall produce the Tools pursuant the technical specifications and the manufacturing technique indicated by the Client. Unless otherwise agreed in writing with the Client, CF does not guarantee the Tools durability. Pictures



of the Tools shall be taken and shared between the Parties; the pictures shall not include specific items related to the Foundry's know-how such as, by way of example, sprues, etc.

- 6.1.2 When entrusted with the Tools's production or supply, the Client shall put in evidence stamps, references for the erection and the usage and shall be the sole responsible for the matching with the technical drawings and characteristics indicated in the Technical Specifications. The Client is entitled with the right to have the said matching checked by CF: in such a case, the Client shall bear the relevant costs previously agreed by the Parties and invoiced by the Foundry thereafter.
- 6.1.3 Should the Tools supplied by the Client not allow checking the correspondence mentioned in the previous paragraph, CF shall promptly inform the Client. In the absence of any feedback by the Client in the following 5 (five) working days, CF shall be entitled to unilaterally determine the crude Castings shapes, dimensions and thickness solely on the basis of the Tools initially supplied by the Client, which shall be the sole responsible for the produced Castings compliance with the Order.
- 6.1.4 Should the Tools delivered by the Client to CF not fit for the purpose intended by the Parties, CF shall be entitled to (i) consequently ask for an amendment of the Castings Price originally agreed by the Parties and (ii) receive the appropriate Tools. The Parties shall agree the Price's amendment before starting the Castings' production.
- 6.1.5 The delivery of the Tools shall be borne by the Client, which shall provide for it at its own costs and at the place indicated by CF.
- 6.2 *(Production costs and Tools's ownership)*
- 6.2.1 With no prejudice to the provisions set forth in the following paragraphs, the Client shall bear the costs of the Tools's design and production, as well as their replacement or repairing because of wear and tear, even if these activities were originally entrusted to CF; the Client shall be the sole owner of the Tools. Should the Tools's design, production, replacement or repairing be entrusted to CF, the related prices shall be invoiced separately by CF and shall be indicated as "*costs for Tools production*". The Client shall correspond these prices under the terms and conditions indicated in the above-mentioned invoice.
- 6.2.2 Notwithstanding the provisions set forth in the paragraph above, the Parties acknowledge that, should they agree that the Client bear the costs related to the Tools's design and manufacturing only in part, CF shall be the sole owner of the Tools. The costs borne by the Client shall be invoiced separately and it shall be paid under the terms and conditions previously agreed by the Parties and indicated in the above-mentioned invoice.
- 6.2.3 When the Client is the Tools sole owner, should the produced Castings be scrapped due to ordinary risks related to the productive process, CF shall not be liable for the costs necessary to replace the Tools used to produce the scrapped Castings. Unless the Parties previously agreed a higher Price aiming at covering such risk, the Client shall replace the Tools or, as an alternative, it shall bear the costs of its production when this is entrusted to the Foundry.
- 6.3 *(Tools storage, returning and withholding)*
- 6.3.1 When the Client is the Tools's sole owner, upon completion of the productive process of the Castings and the Order processed, CF shall return the Tools within the term agreed by the Parties in writing. In absence thereof, the Tools shall be stored free of charge at the Foundry's premises until its returning is requested by the Client or provided for by CF and in any case until the expiry of the Period of Storage of 3 (three) years as of the date of the last delivery. The Tools shall be returned in the state of wear and tears and aging existing at the moment of the returning.



- 6.3.2 After the expiry of the Period of Storage, unless deferred pursuant art. 6.3.5, the Client shall collect the Tools from the Foundry at its own cost. Failure by the Client to collect the Tools within 20 (twenty) days as of the Period of Storage's date of expiry shall entitle CF with the right to charge the Client a storage fee which shall be calculated by taking into consideration their size and weight for each day of delay until the date of collection. Failure by the Client to collect the Tools within 60 days as of the Period of Storage's date of expiry, shall entitle CF to scrap the Tools without prior notice to the Client without prejudice to the claim for the payment of the due Storage fee meanwhile accrued.
- 6.3.3 With no prejudice to the right of retention provided for by art. 6.3.6 below, during the Period of Storage (i) CF shall not be entitled to use the Equipment for the production of Castings ordered by other clients, unless previously authorized by the Client, (ii) the Client is entitled to demand the return of the Equipment at any time, it being agreed that it shall borne the costs arising therefrom.
- 6.3.4 During the Period of Storage CF shall store the Tools in an appropriate place and with due care.
- 6.3.5 The Parties are entitled to defer the Period of Storage, but the whole period shall not be longer than 5 (five) years cumulatively.
- 6.3.6 CF shall be entitled with the right to withhold the Tools until the actual payment of any sum for any reason whatsoever due by the Client, including supply agreements different from those the Tools was provided for.

7. Inserts

- 7.1 Inserts which shall be incorporated in the Castings shall be supplied by the Client at its own costs and they shall be delivered pursuant Incoterm 2020 DAP at CF's premises for the quantity indicated by the Client in the Order and confirmed by CF in the Order Confirmation.
- 7.2 The quantity of the Inserts necessary for the Order shall be determined by the Parties considering, among others, the normal manufacturing risk.
- 7.3 Inserts shall fit for the intended purpose. In absence thereof, the Client shall be liable for any and all Castings defect resulting therefrom.

8. Intellectual Property Rights and confidentiality

(Intellectual Property Rights)

- 8.1.1 CF is solely and exclusively entitled with any and all IPR regarding (i) the Castings and its production techniques, (ii) any technical solution offered by CF to improve their quality and/or costs, (iii) the Tools that CF may have manufactured or the improvements made on it when supplied by the Client, as well as (iv) CF's samples, trademarks and brands. The following shall be protected by CF's IPR, with no prejudice to the generalities of the foregoing: production studies, *software* used for the Castings design, research activities and other industrial property rights (e.g. models, patents, trademarks, etc.). Castings' delivery shall not be construed as a transfer to the Client of any IPR CF is entitled to.
- 8.1.2 Unless the Castings are solely designed and produced by CF and, in full or in part, are intended for large customers, the Client shall relief CF from any and all liability arising from third parties' legal actions as a consequence of the execution of an Order regarding Castings whose design is protected by third parties' IPR.



8.1.3 The Client hereby acknowledges that the cost estimated by CF for the Tools, whether manufactured by CF or not, shall not include the estimated value of IPR, namely the studies, patents or know-how that CF used for its finalization, which shall not be deemed as transferred to the Client nor licensed.

8.2 *(Confidentiality)*

With regard to the Confidential Information received by CF for any reason whatsoever, the Client hereby undertakes:

- (i) not to disclose them to any third party, directly or indirectly, orally or in writing or in any other manner whatsoever, without CF's prior written authorization;
- (ii) to treat them with as much care as possible by adopting any security measure useful to protect them against any possible unauthorised disclosure, copy or use;
- (iii) to use them only in connection with the obligations set forth under these GTC and for no other purposes;
- (iv) not to copy, distribute or disclose the other Party's Confidential Information except to its own employees, officers, or directors who need to know such Confidential Information, provided that such individuals are informed of the confidentiality obligations set forth in these GTC and with no prejudice to their joint and several liability for any violation of the Confidential obligations set forth under these GTC and/or any unauthorized disclosure of any Confidential Information.

9. Warranties and representations

9.1 The Client hereby declares and acknowledges that:

- (i) it decided to negotiate with CF because it operates with plants and know-how that fit with its needs;
- (ii) the Order includes only the Castings manufacturing, with express exclusion of its design and/or the choice regarding the purpose intended by the Client, unless otherwise agreed by the Parties in writing;
- (iii) it has complete knowledge of the Castings required technical specifications and it definitively bears any and all responsibility and liability for the outcome of the industrial activity commissioned by itself and carried out by CF;
- (iv) CF shall not bear any design liability for any proposal regarding the improvements of the Technical Specifications and/or the modification of the design of the Castings due to economic reasons related to the productive technique when it has been previously submitted and approved in writing by the Client;
- (v) The above provisions shall apply also when sub-contractors appointed by the Client are involved; in such a case, the sub-supply agreement shall indicate both CF and the sub-contractor's respective scope of action.

10. Sample Castings. Inspection and acceptance.

10.1 *(Sample Castings)*

10.1.1 In case of mass-produced Castings Orders, the Client shall be entitled to ask CF for Sample Castings to be delivered. In this case, the request shall be included in the Order.

10.1.2 Unless the Parties agree otherwise in writing, the Client shall inform CF of its acceptance or refusal of the Sample Castings pursuant art. 17 of these GTC by and no later than 60 (sixty) days as of the date of the Sample Castings delivery. Failing to inform CF within the said term will determine the automatic acceptance of the Sample Castings and CF shall be entitled to start the production of the Castings indicated in the Order.



10.2 *(Control and acceptance)*

- 10.2.1 CF is required to proceed with the Castings Inspection only if and to the extent that this activity has been expressly required in the Order and regulated in the Technical Specifications. If the Specification does not include indications on how the Inspection shall be carried out, CF shall be required to carry out visual and dimensional inspections only. CF expressly acknowledges that the Client is entitled to carry out the Inspection personally or by third parties previously indicated in the Order.
- 10.2.2 Should the Parties regulate the Inspection in the Technical Specifications, Castings shall be accepted provided that the Inspection has been positively carried out.
- 10.2.3 Unless the Parties agreed that the Price should also include the costs for the Inspection required by the Client, the latter shall issue a separate invoice for the amount previously agreed by the Parties. Such price shall include the costs borne by CF to prepare the specific conditions necessary for the proper performance of the Inspection, in particular when Inspection shall be carried out without prejudice to the integrity of the Castings (the so-called non-destructive test).
- 10.2.4 Unless otherwise set forth in the Order, the Inspection shall be carried out by and no later than 15 (fifteen) days as of the delivery date, at the Client's premises and at its own cost. Failing to carry out the Control within the mentioned term through no fault of CF, Castings shall be deemed as accepted and CF shall be entitled to proceed pursuant art. 4.2.4 of these GTC, when possible.

11. Warranty and liability

11.1 *(Warranty)*

11.1.1 Unless otherwise agreed by the Parties in writing, CF warrants:

- (i) the Castings compliance (i) with the technical specifications reported in the Technical Specifications, including the agreed Tolerances, and/or (ii) with the specific characteristics of the Sample Castings when delivered by CF to the Client and accepted by the latter, with no prejudice to the Tolerances agreed by the Parties from time to time;
- (ii) the Castings compliance with the quality standards indicated by the applicable technical regulations, as well as the Italian and European regulations;
- (iii) that the Castings shall be free from defects in workmanship and materials for a Period of Guarantee equal to 365 calendar days as of the date of their delivery.

CF does not warrant— and therefore the Warranty is expressly excluded — that the Castings have the technical characteristics or in any case are suitable to be used for particular purposes not expressly mentioned in the Order Confirmation.

- 11.1.2 The Client is required to verify the compliance pursuant par. 11.1.1 above upon Castings delivery. Any claim regarding missing parts and/or components and/or visible defects shall be submitted by and no later than 15 (fifteen) days as of the delivery date pursuant to the agreed Incoterm. Upon the expiry of the above-mentioned term, Client's right to the Warranty shall be considered as time barred and the Client shall not be entitled to submit any claim.
- 11.1.3 Without prejudice to the Period of Warranty provided by art. 11.1.1 above, any claim regarding any hidden defect shall be submitted in writing by and no later than 30 (thirty) calendar days as of the date when the defect was discovered. After the expiry of the said period, the right to the Warranty as well as the right to submit any claim shall be considered as time barred. The burden of the proof of the date of the discovery of the defect shall lie on the Client.
- 11.1.4 In any case, the Client shall provide trustworthy documentation proving that defects exist and are caused by a CF's mistake; CF shall be entitled to verify the defects, either directly or indirectly.

11.1.5 Should the Client not provide the documentation mentioned under art. 11.1.4 above and/or should CF verify that the Castings are free from any alleged defect, the Warranty shall not be due and CF shall be entitled to a fair compensation for the possible costs incurred for the Client's groundless claim, including those regarding the personnel involved.

11.1.6 Unless the defects are caused by CF's wilful misconduct or gross negligence, pursuant to the Warranty CF shall exclusively and alternatively:

- (i) repair or cause third parties to repair the Castings;
- (ii) replace the Castings if CF prefers so or if no other remedy is possible.

In case of replacement, a credit note for the replaced Castings Price shall be issued, whilst the replacing Castings shall be invoiced at the replaced Casting Price, which shall be deemed as already paid.

Should CF not be able to (i) repair or cause third parties to repair the Castings or (ii) replace them, CF shall refund the Client of the defective Castings value within the limits set forth under par. 11.1.7 below.

11.1.7 The Warranty includes the costs for repairing or replacing the defective Castings, as well as the costs related to these activities, expressly excluding the costs for assembling, dismantling and collecting the defective Castings.

Without prejudice to the provision set forth under par. 11.1.8 below, the Warranty shall not include the costs incurred by the Client for any work performed on the defective Castings or on the replaced Castings without CF's prior written authorization, such as treatments, machining, Inspections, etc.

11.1.8 The Warranty shall be excluded if the defects are caused by the following:

- (i) Castings repairing and/or modifications without CF's prior written authorization, unless in case of clear urgency;
- (ii) non-compliance of the use or application of the Castings with their technical characteristics and, in particular, non-compliance with the rules and indications set forth in the documents delivered jointly with the Castings;
- (iii) non-compliant Castings transportation and/or storage with the instructions given by CF;
- (iv) any other event not attributable to CF's negligence.

The right to the Warranty shall not apply should the Client not pay the agreed Price regularly, in full or in part.

11.1.9 The Warranty provided under this clause shall apply to repaired or replaced Castings as well.

11.2 *(Liability)*

11.2.1 In no case CF shall be held liable for:

- (i) damages suffered by the Client and/or by third parties caused by their own actions and/or abstention from action;
- (ii) damages caused by the use of a defective Casting when:
 - a. the defect is attributable to activities pertaining to the Client or to any other sub-contractor or in any case to activities carried out by them (such as, by way of example and without limitation to the generalities of the foregoing, the design of the Castings or the products where they are embedded, any binding instructions given by the Client to CF, treatments of or modifications on the Castings after their delivery, etc.);
 - b. the Client used the Casting without prior Inspection carried out by the Client or third parties that would have been necessary considering the project, the use and the intended industrial outcome;
- (iii) indirect damages suffered by the Client as a consequence of a defective Casting, including but not limited to loss of profits in business, commercial opportunities, etc.



- 11.2.2 In any case, unless damages are caused by CF's wilful misconduct or gross negligence, whenever CF is found liable for damages suffered by the Client or third parties, compensation shall not exceed the Price paid by the Client for the damaging Casting.
- 11.2.3 The Client hereby expressly waives – and causes its insurance agents and other third parties to waive – its right to submit any claim against CF and/or its insurance agent beyond the limits established by these GTC with regard to the Warranty and to CF's liability.

12. Retention of title

- 12.1 CF shall be the sole Castings owner until full payment of the Price will take place.
The Client shall carry out the activities provided by the applicable law in order to make the retention of title enforceable towards third parties, with no prejudice to CF's right to proceed itself in case of Client's inactivity and charge the latter with the relevant costs.
- 12.2 In case of termination of Contract due to the Client's breach of its obligations, the Price instalments meanwhile paid shall be fully withheld by CF as compensation according to the law, without prejudice to the latter's right to get indemnified from other damages suffered as a consequence thereof, if any.

13. Force majeure. Excessive burden.

- 13.1 *(Force Majeure)*
- 13.1.1 CF shall not be held liable for breaching its contractual obligations should such breach of contract derive from one or more unforeseen events of force majeure, or which could not be unforeseen by using the due care. This clause shall not apply in those cases where the events can be overcome by using the due care required by these GTC.
- 13.1.2 By way of example and without limitation to the generalities of the foregoing, the following events shall be deemed as force majeure: strikes, blocks interruptions or disturbances of the transport services, fires, storms, floods and other natural disasters, epidemics and pandemics and global difficulties in the supply chain.
- 13.2 *(Excessive burden)*
- 13.2.1 Unless connected with one Party's conduct, in case a supervening event and/or an unforeseen circumstance and/or a circumstance which could not be foreseen by using the due care should make the performance of one Party's obligation excessively burdensome in respect with the other Party's obligation, the former Party shall inform the latter immediately and in any case by and no later than 5 (five) days as of the date when the obligation became excessively burdensome. The Parties agree that an excessive burden shall be caused by a variation of the production costs, raw materials' costs, energy and transportation costs higher than 10% (ten percent) with respect to those existing when the Order Confirmation was issued.
- 13.2.2 After the above-mentioned notice, CF and the Client shall negotiate in good faith any Contract amendments necessary for rebalancing the value of each obligation.
- 13.2.3 Should the Parties not find an agreement on the above-mentioned amendments within 45 (forty-five) days as of the date of the communication mentioned in paragraph 13.2.1, the aggrieved Party is entitled to terminate the Contract by giving information to the other Party. The Contract shall be deemed as terminated from the date of receipt of such last communication.
- 13.2.4 Parties agree that, by way of example and without limitation to the generalities of the foregoing, the following events shall not determine excessive burden: raw materials price decreasing, reduction of the supplied volumes and other events which simply determine an economic advantage of one Party



towards the other, without the latter to be harmed in respect of its expectations at the moment of the Order Confirmation.

More favourable offers (in terms of lower prices, shorter delivery dates, etc.) or contractual modifications of the relationship between the Client and its own clients (such as reduction of the supplied volumes, etc.) for any reason whatsoever occurred shall not be deemed as events causing excessive burden.

14. Applicable law and jurisdiction. Arbitration clause.

14.1 These GTC and the relevant Contracts shall be governed by Italian law. Should the Client not be a company registered under Italian law, these GTC and the relevant Contracts shall be governed by and construed in accordance with the U. N. Convention on the International Sale of Goods (Wien, April 11, 1980 - CISG).

14.2 All disputes arising out of or relating to these GTC and the relevant Contract shall be exclusively submitted to and settled by the Court of Vicenza, Italy.
As an exception of the above, CF shall be entitled to bring an action before the Court where the Client has its registered office.

14.3 By way of derogation to paragraph 14.2 above, any dispute arising out of or relating to Contracts with Clients having their registered office in a State which is not a European Union's Member State, nor Switzerland, Iceland or Norway shall be settled by a sole arbitrator appointed in compliance with the Milan Chamber of Arbitration's Regulation. The arbitration shall be governed by the Italian law. The seat of arbitration shall be Milan. The language of arbitration shall be Italian, unless otherwise agreed in writing by the Parties.

15. Assignment

The Client shall not assign to a third party any right and/or credit deriving from or connected to the Contract without CF's prior written authorization.

16. Waiver

Failure by one Party to enforce at any time the provisions of these GTC shall not be construed as a waiver of such provision or of the right to thereafter enforce each and every provision herein.

17. Notices

17.1 Any notice to the Client connected with the Contracts shall be made to the e-mail account and post address indicated by the Client in the Order. The Client shall promptly inform CF about any modification of such e-mail address.

17.2 Any notice to CF connected with the Contract shall be made to the following address:

Cestaro Fonderie S.p.A.

Via dell'Artigianato, 34

36050 Bressanvido (VI)

E-mail: info@fonderiecestaro.it and reception@fonderiecestaro.it



18. Miscellaneous

- 18.1 These GTC have been drafted by taking into account the common practices among the CAEF States and shall apply to any Supply Contract between the Foundry and Clients of any nationality. These GTC shall also regulate the sale of Castings included in CF's catalogues, without the application of all the clauses related to supplies performed according to the Client's Technical Specifications or with the use of Tools and Moulds.
- 18.2 These GTC constitute the sole general terms between the Parties with regard to the present matter and supersedes any other form and general condition of purchase or procurement used by the Client.
- 18.3 These GTC are suitable to be derogated by other terms and/or specific supply conditions only if included in the Foundry's Order Confirmation. Possible amendments and/or integrations to these GTC shall be effective between the Parties only upon written agreement duly signed by the Parties and attached to the relevant Contract as its integral part.
- 18.4 The invalidation of any provision of the Contract or of these GTC, for any reason whatsoever occurred, shall not invalidate the whole Contract nor any other provision herein included which is not strictly related to and/or dependent on the invalid clause.
- 18.5 The deadlines set forth in these GTC (such as the Delivery Date, terms for Inspections, etc.) shall be deemed as preemptory only if specifically agreed and provided so by Order Confirmation. In absence of indications thereof, the terms shall be of tentative nature.

The Client

In executing these Terms and Conditions, the Client hereby states and represents that it has carefully read and expressly approved the following clauses:

- 4.1.2 *(Limitation of liability)*
- 4.1.3 *(Limitation of liability)*
- 4.2.4 *(Term to raise claims)*
- 4.2.5 *(Limitation of liability)*
- 4.2.6 (iii) *(Right to suspend the Contract)*
- 5.1.2 *(CF's right to raise the price)*
- 5.1.3 *(Limitation of liability)*
- 5.2.3 *(CF's right to suspend the Contract)*
- 5.2.4 *(Restrictions to the right to set out exceptions)*
- 5.2.5 *(Restrictions to the right to set out exceptions)*
- 6.1.1 *(Limitation of liability)*
- 6.1.3 *(Term to raise claims and limitation of liability)*
- 6.2.3 *(Limitation of liability)*
- 6.3.2 *(Term to raise claims)*
- 6.3.3 *(Restrictions to the right to negotiate with third parties)*
- 6.3.4 *(Limitation of liability)*
- 6.3.6 *(CF's right to withhold the Tools)*
- 7.3 *(Limitation of liability)*
- 8.1.2 *(Limitation of liability)*
- 8.2 *(Restrictions to the right to negotiate with third parties)*
- 9.1 (iv) *(Limitation of liability)*
- 9.1 (v) *(Restrictions to the right to negotiate with third parties)*
- 10.1.2 *(Term to raise claims)*
- 10.2.4 *(Term to raise claims)*
- 11.1.2 *(Term to raise claims)*
- 11.1.3 *(Term to raise claims)*
- 11.1.5 *(Limitation of liability)*
- 11.1.7 *(Limitation of liability)*
- 11.1.8 *(Limitation of liability and term to raise claims)*
- 11.2.1 *(Limitation of liability)*
- 11.2.2 *(Limitation of liability)*
- 11.2.3 *(Limitation of liability)*
- 13.1.1 *(Limitation of liability)*
- 13.2.3 *(Term to raise claims)*
- 14.1 *(Applicable law)*
- 14.2 *(Sole Venue)*
- 14.3 *(Arbitration clause)*
- 15. *(Restrictions to the right to negotiate with third parties)*

The Client
