**GENERAL TERMS AND CONDITIONS OF PURCHASE LORENZ PAN SPA, Via Kravogl 10, 39100 Bolzano, Italy.**

**Subject / Scope.**

These general purchase conditions apply to all concluded contracts between Lorenz Pan SpA, hereinafter called "Customer" and any company that supplies goods and / or services, hereinafter called "Supplier." These purchase conditions also apply to all future contracts.

Both parties explicitly resign to any selling conditions of the supplier.

**Quotation.**

1. Differences or deviations from the customer’s request shall be clearly marked in the offer.

2. The validity of the supplier’s quotation shall be at least three months from the receipt.

3. The quotation shall be free of charge and non-binding. Any compensation for visits or the preparation of quotations, projects etc. is not accepted.

**Order**.

1. Orders are valid only in written form. Any exceptions or additional terms will be effective only if agreed in writing and signed by both parties.

2. Each order must be confirmed by the Supplier in writing.

3. For any discrepancies / exceptions in the order confirmation from the order is liable solely the Supplier, unless explicitly highlighted. In the latter case, the written consent of the customer is required.

4. Purchase contracts will only be awarded in accordance with these general conditions of purchase. Different conditions proposed by the Supplier are obtained only valid after written approval.

**Terms of delivery.**

1. Delivery date means a fixed date which the Supplier is obliged to meet strictly. Costs for urgent shipments caused by late delivery shall by borne by the Supplier.

2. If the Supplier realizes the impossibility to meet the delivery date, he is obliged to report the delay immediately to the Customer, providing reasons and duration of delay.

3. The Supplier is liable for any direct and / or implied damage for delay. The acceptance of the delayed delivery or service does not imply the renunciation of damages.

4. The Supplier may only appeal to missing documents necessary for the delivery if they have been promptly requested in writing and not provided within a reasonable period by the customer.

5. If the Supplier fails to comply with the delivery date, the Customer is entitled to apply for an administrative penalty in the amount of 0.5% of the total supply amount for each working day of delay up to a maximum amount of 5% of the total. For each subsequent day of delay after the tenth (achieving the penalty of 5%), the outstanding payments will be postponed by one week. The penalty is applicable to each term / contractual deadline (eg. delivery, commissioning, testing, etc.). This administrative penalty does not affect any compensation, which may be enforced in addition.

**Delivery and acceptance.**

1. The goods travel at the risk and costs of the Supplier, who must adhere to customers delivery standards (unless otherwise agreed).

2. An acceptance delay due to force majeure, strikes, a measure of authority or other circumstances not attributable to the customer will be excluded.

3. The return shipping of defective goods will be at risk and costs of the Supplier.

**Invoicing and payment.**

1. Invoices must be sent by mail and shall not be enclosed to the shipment.

2. The payment will be made ninety days net after receipt of the goods and the invoice.

3. In the event of an early delivery payment will be made only at agreed due date (terms of delivery).

4. Complaints related to the scope of supply or the performance postpone the payment until rectification, including payment terms.

5. Payment does not imply in any case the approval of a proper delivery.

**Warranty.**

1. Without prejudice to application of each and any other statutory warranty, the Supplier guarantees the perfect functioning of the goods and that it is free from faults and defects. The Supplier also warrants that the supply is free of any faults, defects and non-compliance, even partial, for a period of 24 months from delivery or, in case of a final test, a positive result of the latter.

2. During the warranty period, the Supplier is obliged to replace, at the first request, at its expense, defective goods, and to perform, always at his own expense, any changes and tune-ups that may be necessary to ensure that the supply meets the contractual conditions. The Supplier will bear all repair and replacement costs, as well as those of transport and any other related costs. For the items replaced or repaired will be charged a new 24-month warranty.

3. The Supplier shall bear all the consequences resulting from lack of or incomplete execution, even partial, of all the obligations towards the customer. The warranty parts, which do not require installation, will be supplied CPT customers factory.

4. In case of failure or malfunction, if the Supplier fails to take action within the agreed time, Customer, at its sole discretion, take appropriate measures to remedy the reported defect at the risk and expense of the Supplier.

**Product liability / Efficiency**

In case of proceedings by third parties, regardless of whether the second is Italian or foreign law, particularly in cases not attributable to customers fault, and where the product of the Supplier is considered as the cause of the damage, the Supplier indemnifies us from all claims. The costs relating to the defence of these claims will be charged to the Supplier.

Following the DIN 8743 standard, the plant will have to reach a minimum efficiency rate of 98.5%.

**Termination of the contract.**

In the event of failure by the Supplier regarding existing provisions or guarantees, the Customer shall be entitled to:

a) Terminate the contract.

b) Assign a third party of his choice to perform the work that has not been performed by the Supplier, at its expense, although at higher costs, subject to the application for penalties for delay.

**Industrial property rights / patent infringement.**

The Supplier is responsible for ensuring that through the provision and use of the goods there is no infringement of any patents or patent applications, trademarks or registered third-party models.

**Intellectual property.**

All documents, drawings, models, samples, equipment and means of production, which will be provided to the supplier for the production, are owned by the Customer. The Supplier shall not use them for other purposes, reproduce them or make them accessible to third parties. These shall be regarded as a trade secret.

**Ethical guidelines**

The Lorenz Pan SPA is a member of the Ethical Trading Initiative and we oblige our suppliers to comply with the code base.

www.ethicaltrade.org/eti-base-code

**Documentation.**

If required by the order, operating and maintenance manuals must be enclosed to the supply. We will specify in our order, in which language the documentation must be submitted. A supply without documentation, incomplete documentation or with documentation in the wrong language is considered incomplete.

**Place of performance and jurisdiction.**

Place of performance of delivery and payment is Bolzano.

Any disputes arising from the interpretation and execution of the contract will be submitted exclusively to the Court of Bolzano. The contract is subject to Italian law.

Date: April, 2015