

## **GENERAL CONDITIONS OF PURCHASE**

**Art. 1 – Order acceptance** – A purchase order has been issued in the agreed terms and is binding for both parties, without the need for specific acceptance by the Supplier. Any discrepancy between the order, attachments and agreements shall be promptly reported by the Supplier to the Purchaser (by the quickest means; fax and/or email) on receiving the order, and in any case no later than two days from its issue.

**Art. 2 – Place and terms of delivery** - The agreed delivery terms are mandatory. Delays and advance delivery are therefore both to be excluded.

Unless specially requested by the Purchaser, material delivered in advance of the established date may be refused and in such case it will be returned to the Supplier by carriage forward. If the material is not returned the terms of payment will in any case apply from the agreed delivery date. In the event of delayed delivery, the Purchaser shall be entitled to do the following, subject to reimbursement of higher damages:

- a) charge the Supplier with a penalty amounting to 2% of the quantity of undelivered material, for each week of delay, and/or
- b) consider the contract terminated, and/or
- c) purchase the material on the open market at current prices and charge them to the Supplier.

In any case the Purchaser is exonerated from the formalities and terms in arts. 1516 and 1517 of the Italian Civil Code. As goods shall be delivered to the Purchaser's stores specified on the purchase order, they travel at the Supplier's risk, even when purchased carriage forward.

**Art. 3 - Prices** – Unless otherwise stated, prices are fixed and invariable.

**Art. 4 – Supply acceptance** - The material supplied shall be received by the Purchaser, subject to checking quality and quantity. Differences in the quantities declared by the Supplier and the actual quantity received by the Purchaser shall be communicated to the Supplier. In any case the Purchaser may refuse to accept extra quantities and return the material involved carriage forward. If the quality of the goods supplied does not comply with the agreed specifications or if they cannot be used (i.e. not suitable for use and/or faulty) for whatever reason, they shall be returned carriage forward and, subject to his right to claim damages, the Purchaser may, at his discretion, choose free replacement of the goods or a credit for the sum involved, which will automatically terminate the agreement with regard to the part of the supply included in the credit. Rejects may be returned and/or debited within 24 months of the date of delivery/receipt.

If rejects are returned for replacement, they must be replaced within 7 days of their receipt. If rejected material requires supplementary processing and/or the use of labour for sorting into parts that can be used, the Purchaser will charge the Supplier the amount of costs involved. Material supplied shall be processed in a workmanlike way, comply with the agreed specifications and in any case observe legal standards. Furthermore, the goods will not be accepted without a delivery note showing the order number and Purchaser's article codes.

**Art. 5 – Technical documentation – Equipment** - Formulations, analyses, samples, drawings, models and any other documents owned by the Purchaser and handed to the Supplier shall be held to be strictly confidential and returned to the Purchaser whenever required. It is expressly prohibited for the Supplier to use and duplicate technical documentation, models, formulations, etc. for goods to be supplied to anyone besides the Purchaser.

Equipment prepared with the assistance of the Purchaser shall not be destroyed without the latter's written authorisation and shall be preserved with the utmost care. If not, the Supplier shall refund the Purchaser's initial costs and any damages caused by said equipment not being available. At his own cost the Supplier shall carry out routine maintenance on the Purchaser's equipment in his possession; the equipment shall be covered by insurance against fire and theft, at the Supplier's cost. In the event that agreement is not reached for further supplies or a simple request is made by the Purchaser, the above-mentioned equipment shall be returned in perfect operating condition and with all its parts. If anomalies requiring extraordinary maintenance arise during its use, the Supplier shall inform the Purchaser in order to receive instructions about what to do (any damage/breakages shall be charged exclusively to the Supplier). The Supplier is obliged to demand the documentation if it is not delivered.

**Art. 6 – Delivery documents** – Material shall travel with a delivery note indicating the order number, material code and description, measuring unit, quantity, number of parcels, weight, Supplier's ID code, Purchaser's ID code and origin of the goods.

**Art. 7 - Invoicing** – Invoices for supplies which contain rejects shall not be forwarded for payment, or partially paid, until said material is reintegrated, even if it includes goods withheld for use. Therefore, any cost involved in withdrawing drafts, bills or cash orders will not be reimbursed by the Purchaser.

Invoices shall refer to the products on a single order. Such invoices shall show: order number, material code, delivery note number, the quantity delivered, unit price, total price, VAT, Supplier's ID code and Purchaser's ID code.

**Art. 8 – Industrial property** – The Supplier guarantees that whatever is supplied does not affect third party rights to patents or industrial property rights. In the other event the Supplier shall be directly liable for any consequent legitimate claims for damages the Purchaser could receive from third parties, in any case holding the Purchaser harmless and indemnified against every consequent direct and indirect charges.

**Art. 9 – Confidentiality clause** – All the information the Supplier comes into possession of shall be considered classified and confidential, with the exclusion of information normally divulged.

**Art. 10 – Calls on Supplier** – The Purchaser reserves the right to bring his customers to visit the Supplier's premises in order to assess the organisation (equipment, workforce, incoming materials, work processes, tests, despatch, etc.).

**Art. 11 – No advertising clause** – Advertising of any type whatsoever that refers to supplies made to Color Tech Srl shall be expressly authorised by the Purchaser.

**Art. 12 – Competent Court and applicable law** – Any controversy whatsoever shall be settled under the terms of international law according to current international conventions, on the basis of which the competent Court shall be established. If the contracting parties are companies with head offices in Italy, it is agreed by convention that Italian law shall be applied exclusively and territorial competence lies with the Court of Treviso.

#### **INCOMING GOODS ACCEPTANCE BY COLOR TECH s.r.l.**

- **MONDAY TO FRIDAY: 8 a.m. to 12 noon – 2 p.m. to 5.30 p.m.**

- **DELIVERY NOTES MUST SHOW: OUR MATERIAL CODE, OUR SUPPLIER CODE AND OUR ORDER NUMBER**

San Polo di Piave, 1 March 2017

**Color Tech s.r.l.**