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## CHIORINO S.P.A. GENERAL CONDITIONS OF PURCHASE

### Definitions reported in these general conditions of purchase.

The Buyer is CHIORINO S.P.A. – Via S. Agata, 9 – 13900 Biella Italia. The Supplier is the company to which the purchase order is assigned. The Supply is any kind of materials, goods or services supply which constitutes the object of the purchase order. The General Conditions of Purchase (from now on named GCP) are the clauses reported in this document. The special conditions are the clauses reported in the purchase order of CHIORINO S.P.A. The terms and technical specifications are the documents that define the technical-operative requirements of the supply.

### Art. 1. General regulations.

The GCP form integral part of the purchase order and they are enforced as basic clauses of it. Only the special conditions reported in each single purchase order are prevailing over the GCP and can constitute an exception to them. The GCP and the possible special conditions cannot be modified nor be subject to additions without a written agreement between CHIORINO S.P.A. and the supplier. The GCP apply to all the purchase orders submitted by CHIORINO S.P.A. to the supplier. In case one or more articles provided for by these GCP should result for any reason ineffective or contrary to mandatory rules of law, the ineffectiveness and being contrary to mandatory rules of law are not extended to the other revisions of these GCP.

### Art. 2. Acceptance of the General Conditions of Purchase and of the purchase order.

The supplier formalizes the acceptance of the GCP and the purchase order by returning a copy of the purchase order duly stamped and underwritten for acceptance and/or by sending order confirmation on the company letterhead. If within seven (7) days after its receipt the supplier has not provided to return the purchase order duly signed, CHIORINO S.P.A. reserves the right to cancel the purchase order at any time. The started execution of the purchase order by the supplier constitutes complete acceptance of it, relevant documents included (GCP, technical specifications, terms, etc.). The GCP are deemed as accepted by tacit agreement unless a different statement is sent to CHIORINO S.P.A. within seven (7) days from the receipt of the purchase order.

### Art. 3. Entire agreement.

The purchase order, the GCP, the special conditions and the enclosures represent the entire agreement between the parties and prevail upon any previous agreement regarding the object of the supply. The acceptance of the purchase order and its enclosures by the supplier automatically cancels the general conditions of sale of the supplier.

### Art. 4. Delivery terms.

The supplier undertakes to fully respect the delivery terms reported on the purchase order which have to be considered fundamental and accepted.

### Art. 5. Prohibition to transfer the purchase order and credit.

The supplier has no power to transfer to third parties, not even partially, the purchase order without the prior written authorization of CHIORINO S.P.A. The credit derived to the supplier by the purchase order is not assignable if there is no written formal authorization of CHIORINO S.P.A.

### Art. 6. Force majeure.

In case of a Force Majeure event (such as earthquakes, fires, epidemics, etc., only to make some examples) that may jeopardize the agreed delivery schedules, the supplier is obliged to immediately give written communication to CHIORINO S.P.A. specifying the resulting extent of the delay, estimated or real. The supplier must in any case undertake all actions aimed at reducing the delay and making up for lost time. Any new delivery date will have to be agreed between CHIORINO S.P.A. and the supplier in relation to the hindrance of the Force Majeure cause. In case the Force Majeure cause leads to a delay in delivery of more than 30 days (thirty) CHIORINO S.P.A. reserves the right to terminate the purchase order at any time by sending registered letter with return receipt, fax or email to the supplier

### Art. 7. Delivery and packaging.

The deliveries of the goods shall be accompanied with proper shipping documents on which the following information will have to be stated: date, number and date of the Purchase Order, item code, description of the product/service, quantity, gross and net weight of the parcels, delivery means. The supplier must provide a packaging suitable for the supply according to what is specified in the purchase order or, if not specified, according to the best techniques generally applied in the commercial practices, being anyway responsible for all the damages suffered by the goods resulting from an unsuitable packaging.

### Art. 8. Penalties due to delay in delivery.

In presence of delay of the supply object of the purchase order, CHIORINO S.P.A. reserves the right to apply to the supplier, without prejudice to any right to termination and to compensation of any suffered damages, a penalty of 0.5% of the value of the amount, indicated on the purchase order, of the supply that has not been delivered within the agreed contractual terms, for each full week of delay. The total amount of the penalty cannot exceed 10% of the value of the delayed supply purchase order.

**Art. 9. Prices.**

In absence of clauses not expressly provided for in the purchase order, prices are meant as set and not negotiable.

**Art. 10. Invoices.**

The invoices must be addressed as follows: CHIORINO S.P.A. – Via S. Agata, 9 – 13900 Biella. All invoices must include: number and date of CHIORINO S.P.A. purchase order, list of all the supply headings according to the sequence stated on the purchase order, quantity supplied, number and date of the shipping document.

**Art. 11. Check of the supply.**

The acceptance of the supply is subject to verification of compliance with the quantity and quality conditions required in CHIORINO S.P.A. purchase order. When the goods are delivered CHIORINO S.P.A. will carry out adequate quantity, quality and document checks. In case the product/service should not correspond to what is provided for in the contract, it will be refused and put at the supplier's disposal for the replacement, if possible, under his care and at his own expenses with another complying with what is established in the purchase order, unprejudiced any right to termination and damage compensation for CHIORINO S.P.A.

**Art. 12. Guarantee.**

The supplier guarantees that the supply is free from defects that would make it unsuitable for its designed use or that would considerably reduce its value, being these visible or hidden. The supplier is responsible for damages caused directly to things or people and directly attributable to one or more defective parts of its supply. The supplier is obliged to hold CHIORINO S.P.A. harmless from any compensation claim consequent to unsuitability and unreliability of its supply by compensating CHIORINO S.P.A. for any possible suffered damage.

**Art. 13. Accidents.**

The supply object of the purchase order must be guaranteed to be in compliance with the accident prevention regulations in force. The supplier undertakes to append, whenever necessary, the laws and regulations complied with.

**Art. 14. Unilateral withdrawal.**

CHIORINO S.P.A. reserves the power to withdraw, partially or totally, from the purchase order at any time also after that the purchase order execution has begun, by sending registered letter with return receipt, fax or email to the supplier with a notice of 20 (twenty) days before the expected delivery date. In that case CHIORINO S.P.A. will grant to the supplier, in reference to the delivery of the supply and until the date of withdrawal, a sum equal to the value of the provision regularly carried out, according to the contract prices.

**Art. 15. Termination.**

In case of breach or failure of the supplier to comply with one or more clauses reported in the purchase order, in the general conditions of purchase or in the enclosures, CHIORINO S.P.A. has the power to terminate the purchase order by sending registered letter with return receipt to the supplier, without prejudice to the right of compensation of any suffered damage for CHIORINO S.P.A. Furthermore CHIORINO S.P.A. will be in power to terminate the purchase order in case the following circumstances may occur: Takeover by a third company of the control of the supplier: insolvency, liquidation, administrative receivership, extraordinary administration, arrangement with creditors, supplier bankruptcy, failure to comply with the GCP clauses.

The goods or services supply contract is to be considered as terminated when the supplier does not comply with the behaviour instructions stated in the documents regarding

the CHIORINO S.P.A. Model for Organization, Management and Check according to Legislative decree 231/2001 and amendments and additions and in compliance with the Correct Corporate Governance rules.

**Art. 16. Express termination clause for the crimes as set forth in Legislative decree 231/01 and amendments and additions.**

According to Art. 1456 c.c. (Express termination clause), the present contract will have to be considered as terminated if the contracting Company results conclusively convicted / sanctioned for one of the crimes as set forth in Legislative decree 231/01 and amendments and additions. It is made without prejudice to the right to compensation for CHIORINO S.P.A. of all the damages suffered due to the termination of the contract.

**Art. 17. Inspection and checks at the supplier's plant.**

CHIORINO S.P.A. reserves the right, with prior notice, to send people or control bodies at the supplier's plant to verify, at any time and during standard working hours, the progress of manufacturing, the quality of materials used and the accurate fulfillment of all the commitments by them undertaken through the purchase order, in compliance with the safety and privacy regulations in force. These inspections and checks do not discharge the supplier from his contractual obligations.

**Art. 18. Equipments, materials owned by CHIORINO S.P.A.**

The drawings, moulds, devices, sample pieces, storage media delivered by CHIORINO S.P.A. to the supplier for the execution of the purchase order remain property of CHIORINO S.P.A. and they will have to be returned to this in good state of preservation once the purchase order is fulfilled. It is specifically agreed that those cannot in any case be copied and they must be used by the supplier only for the execution of the purchase order of CHIORINO S.P.A.

**Art. 19. Supply of patented production.**

The supplier guarantees that the supplied goods are not manufactured in violation of patents or exclusive licenses or the right to use them or sell them both in Italy and abroad. The supplier agrees to relieve and hold harmless CHIORINO S.P.A. from any recourse, legal action or compensation claim challenged by third parties due to the use and sale of what mentioned above.

**Art. 20. Confidentiality.**

The supplier agrees not to advertise using the name of CHIORINO S.P.A. All the information contained in the purchase order, its enclosures, if any, and any information supplied by CHIORINO S.P.A. during the period of supply, must be considered as strictly private and confidential. The supplier is absolutely forbidden to have a direct relationship with the end customer of CHIORINO S.P.A.

**Art. 21. Jurisdiction and Arbitration.**

The purchase order shall be regulated and interpreted in all respects by Italian law, except for what is specifically stated in these GCP or in the special conditions. Any controversy that may arise out of or in connection with the purchase order shall be settled according to the Articles of association-Regulation of the Chamber of Commerce, Industry, Handicraft and Agriculture of Biella by one or more arbitrators appointed according to such Regulation. The language of Arbitration shall be the Italian language. The seat of Arbitration shall be Biella.

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