



GENERAL PURCHASE CONDITIONS

1. GENERALITIES

These General Buying Conditions are unavoidably applicable to all purchases carried out on suppliers (each, a **Supplier**) from CAP IT S.r.l. situated in Via Sirtori 25, 20017, Passirana di Rho, MI, Italy, VAT number, 11762310156, Register n. 18284/1996 Court of Milan – R.E.A. 1494566 (**CAP IT**) and, together with the order, its acceptance and any other related document if existing, are integral part of the **Purchasing Order**.

2. ACCEPTANCE OF PURCHASE ORDERS

With the acceptance of Purchases Orders, carried out in any way and/or received at CAP IT, the Supplier accepts these General Conditions and concludes with CAP IT the Purchase Contract.

These General Conditions could be modified and/or integrated only by CAP IT in single Purchases Orders. In case of contrast between these General Conditions (if necessary modified and/or integrated in the purchase orders) any conditions laid down in the sales Purchase Order confirmations from the supplier, these general conditions shall prevail. Our specifications related to the good/service ordered, as annexed to the order or otherwise brought to the attention of the supplier, shall constitute an integral part of the contract and shall mean the Supplier accepts in every element. The supplier is obliged to meet the same specification, unless specifically except.

Any changes to the specifications must be formulated in writing and agree to CAP IT.

3. DELIVERIES

The terms of delivery are indicated in the Purchase Order or in subsequent invocations of the Purchase Order and are essential and compelling.

Therefore, if a delivery is made by a supplier in late than expected from the purchase order or in subsequent invocations of the purchase order, it is right to CAP IT: a) to terminate the contract of the sale and/or supply with the vendor, b) undo the single Purchase Order, and/or c) refuse delivery of what ordered, unless in any case the right to compensation for all damages suffered by CAP IT, including any difference between the price agreed with the supplier and costs supported by CAP IT for purchase from third parties the same goods and/or services.

Without prejudice to the following section 5, the goods and/or services covered by a Purchase Order shall mean regularly delivered only if accompanied by the transport document that includes: a) the reference to the number and the date of its Purchase Order; b) the weight and/or quantity of the goods and/or services; c) test certificate/conformity of goods and/or served if asked. The lack of this information and/or documents authorize CAP IT to refuse delivery and not to make the payment.

CAP IT reserves the right to refuse the acceptance of deliveries of goods made with unanticipated but non unsolicited terms; anyway, for the payment of the provision itself, only the delivery terms agreed between the parties will be considered.

4. CARRIAGE LIABILITY. OWNERSHIP OF GOODS AND/OR SERVICES

Purchase Orders must be construed strictly "Ex Works" CAP IT, except if expressly derogated in the Purchase Order. The goods and/or services covered by the Purchase Order shall remain the supplier's property; it will support all relevant risks of loss or deterioration, up to delivery at the warehouses of CAP IT.

If, in the Purchase Order or Purchase Order references, different conditions are agreed by the previous, in any case any damage dependent on imperfect packaging always remains charged to the Supplier.

5. QUALITY OF GOODS AND/OR SERVICES

The goods and/or services covered by the Purchase Order shall conform to any specifications in the same and/or related specifications and still produced according to the highest standards of the market, in accordance with applicable legislation, and accompanied by the required documents and certificates.

Upon delivery CAP IT reserves the right to check the conformity of the goods and/or services as provided in the Purchase Order and these general conditions. If the object of the Purchase Order are machinery, CAP IT will perform the same test at the end of the complete installation.

The supplier shall, upon written request to be made within the delivery date, will require CAP IT to participate in the check/test.

In the presence of any faults or defects, although about only part of the goods and/or services delivered, CAP IT will be entitled to: a) terminate the contract of sale and/or supply with the vendor, b) undo the single purchase order, c) refuse delivery than delivered, in whole or in part, d) return to the supplier, at the latter's expense the goods and/or services delivered, in whole or in part, and/or request the Supplier) and the replacement of the goods and/or services spoiled or defective with the same goods and/or services but free from defects, unless in any case the right to compensation for all damages suffered (including any difference between the price agreed with the supplier and cost supported by CAP IT for purchase from third parties the same goods and/or services).

CAP IT may reject final delivery of goods and/or services that differ or defect from the quantities indicated in the purchase order. If CAP IT refuses delivery, nothing will be due by to the supplier and CAP IT will be entitled to reimbursement of the costs possibly incurred for transportation or of amounts paid as any advance, unless in any case the right to compensation for all damages incurred, including any difference between the price agreed with the supplier and cost supported by CAP IT for purchase from third parties the same goods and/or services.

6. PRICE OF GOODS/SERVICES. PAYMENT

The prices of goods and/or services purchased by CAP IT are those set out in the purchase order or in subsequent references to the Purchase Order and are unchangeable. CAP IT won't therefore be required to pay further amounts, for whatever purpose, unless written agreements with the vendor.

Payment of goods and/or services shall take place within the agreed terms and indicated in the Purchase Order provided that: a) the transport document is complete within the meaning of article 3; b) the goods and/or services have been regularly accepted by CAP IT after checking/testing referred to in article 5.

It is understood that, where the goods and/or services ordered have been accepted by CAP IT only in part, pursuant to article 5 above, payment will be made only to the accepted or, if CAP IT has requested the replacement of goods and/or services, suspended until delivery.

If the supplier fails to comply with the terms of delivery indicated in the Purchase Order or in subsequent of the Purchase Order recalls and CAP IT avails itself of the faculties provided for in article 3) of these general terms, the price of goods and/or services indicated in its purchase order shall be automatically reduced in the following measures: a) of 10% if the delivery takes place with a delay of less than 50% of the time between the issuance of the Purchase Order or invocations of the Purchase Order and the delivery time indicated therein; b) of 20% if the delivery takes place with a delay exceeding 50% of the time between the issuance of the Purchase Order or Purchase Order recalls and the delivery time indicated therein. It is not allowed the sale of credit arising from this Purchase O pursuant to article 1260 sub-section 2 Dc. It is not allowed the sale of credit arising from this purchase pursuant to article 1260 C.C. 2 sub-section.

7. GUARANTEES. INDENNITY

The supplier guarantees to be in possession of all necessary permissions to produce and sell the goods and/or services covered by the Purchase Order.

The supplier guarantees that the goods and/or services purchased from CAP IT will remain free from flaws/defects for one year from the delivery and, in the case of machinery, their proper functioning for two years from the test, unless otherwise provided in the contract agreements.

Any faults or defects not identified during the inspections and/or testing as referred to article 5) shall be reported in writing by CAP IT to the supplier within 90 days from discovery or within the period agreed for the payment indicated in the Purchase Order if greater.

In such cases the supplier shall promptly replace, at its own expense, the goods and/or services with other same but free from vices. In any case, the supplier shall be liable for any damages suffered by CAP IT because of defects of goods and/or services.

The supplier agrees to hold harmless and indemnify CAP IT, its representatives and each company belonging to its group of companies, from any loss, damage or claim by third parties (including the Finance Administration) resulting from a lack of quality of the goods and/or services purchased from CAP IT or from failure of regulatory or contractual obligations by the supplier until the period of limitation of actions.

Any sums due at any title to vendor by CAP IT will be withheld from the latter with reference to the amounts that CAP IT should pay vendor also on account of a Purchase Order not issued yet.

8. CANCELLATION OF ORDERS

Despite the acceptance of a Purchase Order by the supplier, but as long as its delivery has not already been made, it is right of CAP IT to cancel a Purchase Order or a subsequent recall of the Purchase Order by written notice to be sent to the supplier within five working days following the date of the same without any burden to bear.

9. APPLICABLE RULES

These General Terms and Purchase Orders are governed by and construed exclusively in accordance with Italian law.

10. QUALIFIED COURT

Any dispute concerning the interpretation and/or execution of contracts governed by these Terms and Conditions, including any attached document to Purchase Order, or otherwise arising from the same, though of non-contractual nature, shall be referred to the exclusive jurisdiction of the Court of Milan.

Each Purchase Order will express the present General Conditions.

Therefore, in case of no dispute within 5 (five) days of emission, the Vendor declares to have taken knowledge and have them fully and wholeheartedly approved. The meaning and for the purposes laid down in articles 1341 and 1342 c.c., the Vendor also expressly approves the following provisions:

1),2),3),4),5),6),7),8),9),10),11),12),13).

June, 2015 Rev.1