

Article 1 INTRODUCTION

The purchase orders and Contracts of VESUVIUS are governed by the general procurement conditions hereunder and by any special conditions indicated therein. Any other agreement, even if verbally agreed, and any other condition printed or hand-written quoted or stipulated in the data sheets, offers, estimates or order confirmations of the Supplier shall not be valid unless expressly confirmed in writing by VESUVIUS.

Article 2 REFERENCES

All communications and documents relating to the purchase orders and Contracts, including the invoices of the Supplier, must contain the following information: number and date of the order and Destination unit. If the communication of the document only concerns part of the material ordered, the progressive number indicated on the order of the material supplied must also be included.

Article 3 GENERAL OBLIGATIONS OF THE SUPPLIER

The Supplier agrees to supply the Products and Services in accordance with the terms, conditions and prices defined in the purchase order or Contract. The Supply must be carried out in strict compliance with the legal provisions applicable at the time of the delivery and with the provisions of the purchase order or Contract. In the absence of any specific regulations on the matter, the Supply and any operation relating thereto shall be carried out according to the latest technology and with the utmost diligence and care.

Article 4 CHANGES TO THE SUPPLY AND ORDER

During the execution of the Supply, VESUVIUS can change the quality, quantity, characteristics and/or form of the Products and Services. These changes must be promptly made by the Supplier. Should such changes have an effect on timescales and costs, the Supplier may have the right to an appropriate additional payment and/or extension to the delivery time. It is the responsibility of the Supplier to submit to VESUVIUS any proposed changes to the supply, indicating:

- description of the change and corresponding technical impact;
- any additional costs and corresponding reasons;
- any timing impact on the delivery schedules.

Failure to submit the proposed change within the time limit of two weeks following the change request shall entail waiver both to any additional payment and to the extension of the delivery time. With regard to the work in progress, VESUVIUS shall refund to the Supplier only the cost of the raw materials already being processed and only the cost of the work carried out up to the time of the change made to the order or cancellation, limited to any expenses actually incurred and documented, this refund excluding, in all instances, loss of earnings. For its part, the Supplier must do everything in its power to reduce the refundable costs described above. No refund or payment shall be made for raw materials already supplied but not yet processed. Should the parties fail to agree, the decision as to any additional payment and/or extension to the timescales shall be defined according to the procedures set out in the article "Applicable law and jurisdiction" without the right of the Supplier to suspend the fulfilment of the contractual obligations, without prejudice to the right of VESUVIUS in this case to declare the Contract cancelled in accordance with Article 1456 of the Italian Civil Code.

Article 5 SHIPMENTS, PACKAGING AND PENALTIES

Unless otherwise expressly agreed, the goods are considered to be delivered FCA [Free Carrier] or FOT [Free on Truck], including packaging suitable for transportation. Even if the goods are delivered FCA, the Supplier shall be liable for any damage caused by inappropriate packaging. Once transportation has commenced, the risks attached thereto shall be borne by VESUVIUS, unless delivery is expressly agreed other than as described above, in which case all the transportation risks shall be borne by the Supplier. Should VESUVIUS require the transportation to be arranged by the Supplier, the latter must ensure that this is done using the cheapest means and securing the best price possible. Unless otherwise agreed, VESUVIUS shall be responsible for paying any import duties, levies and taxes payable at destination, and for unloading the goods on arrival. The agreed delivery terms shall take effect as from the date of the order unless otherwise stipulated therein. The days and weeks indicated in the order shall be considered to be calendar days and weeks. Save for the application of any penalties to be established on a case-by-case basis and unless otherwise agreed, on the terms established, provided not declared to be essential. Should delays occur after such deadline which are not due to recognised cases of force majeure or should such cases not be immediately notified and proven, VESUVIUS has the right to arrange the supply in another way, cancelling the supply or the part thereof affected by the delay, without prejudice in all instances to the right to claim compensation for any damage or additional expenses arising from the default. In all instances, the provisions of Article 1256 of the Italian Civil Code shall be considered applicable at all times. Each shipment must be accompanied by a transport document according to current legislation, containing the information necessary in order to clearly identify the purchase order or Contract, the number and type of Products contained therein and the recipient. VESUVIUS is entitled to reject, at the expense of the Supplier, and arranging for return to the designated carrier or haulier, any packets or packaging received with missing, incorrect or incomplete information or which are clearly damaged.

Article 6 WEIGHT

Unless otherwise agreed, the weight checked at destination shall be considered to be valid to all intents, and solely in the event that this cannot be done, the weight acknowledged on departure of the carrier shall be valid, even if the delivery was agreed FCA. Should the delivery be agreed for a lump sum, a maximum tolerance of 10% either way on the weight is permitted. Should the difference in weight be greater than the aforementioned tolerance, VESUVIUS shall have the right to send back the entire supply to the Supplier, at the latter's expense. For all other supplies, VESUVIUS reserves the right to return to the Supplier, at the latter's expense, any surpluses beyond the limits of local use.

Article 7 TOLERANCES

The Supplier shall be responsible for the quality and functionality of the Products and materials used for their realisation and for their compliance with the contractual and legal requirements. The characteristics of the materials shall comply strictly with the drawings, specifications, standards, tables and any other technical documents, and with samples defined in the Contract or made available by the Supplier. Where required, the Supplier agrees to adopt the Control Plans and tests, or the test and inspection reports, prepared by VESUVIUS, guaranteeing that all the tests specified therein will be performed, with entitlement by VESUVIUS to ask to see, at any time, the documents and results of the tests carried out. VESUVIUS has the right, at all times, to check the correct execution of the Supply, both during the process and after preparation of the goods. For this reason, the Supplier shall ensure that its own offices and sites and those of any third parties can be freely accessed at any time, subject to a suitable period of notice. If VESUVIUS establishes that the Supply has not been carried out under the conditions stipulated in the purchase order or Contract, VESUVIUS can set a deadline of not less than ten (10) calendar days by which the Supplier will be required to comply with those conditions. If the conditions have not been observed by that deadline, VESUVIUS has the right to intervene directly or through third parties, charging the corresponding costs to the Supplier. Alternatively, it can cancel the Contract, at its discretion, wholly or in part, and conclude it using appropriate means and in an appropriate manner, without prejudice, in all instances, to the right of VESUVIUS to claim compensation for the loss it has suffered, and in this case, without prejudice to its right to suspend payment in accordance with Article 1460 of the Italian Civil Code. The inspections and checks and any provisional acceptances shall not discharge the Supplier from its contractual obligations and responsibilities. VESUVIUS reserves the right to reject the supply in writing, whether wholly or in part, and to charge for any additional costs if the supply does not comply with the provisions of the purchase order or Contract. It should be understood that if the supply is found to be non-compliant by VESUVIUS, the Supplier must collect it at its sole expense and do whatever is necessary to regain possession.

Article 8 TECHNICAL DOCUMENTS AND SAFETY DATA SHEETS AND CORRESPONDING APPROVAL

The Supplier must provide VESUVIUS in good time with the technical documents as required by the nature of the Products/Services specified in the purchase order or Contract, and must promptly resubmit them, amended according to the requests for amendment, addition or omission made by VESUVIUS. This technical documentation must be supplied by the Supplier in the number of copies and in the language requested in the purchase order or Contract. The documents which VESUVIUS will deliver to the Supplier in order to complete the Supply shall remain the exclusive property of VESUVIUS, and thus they cannot, in any way, be transferred, reproduced or disclosed to third parties without the prior consent of VESUVIUS. The time devoted to the document approval procedure has already been considered by the Supplier as part of the delivery terms. If required by the purchase order or Contract, the documents must be submitted by the Supplier for approval by VESUVIUS and/or the End Customer. The approval given by VESUVIUS shall not discharge the Supplier from the responsibilities and obligations arising from the purchase order or Contract.

Article 9 PRICES

The price includes each and every payment owed for the supply. Unless otherwise agreed in writing, the prices are considered to be firm, definitive and inclusive of all that is necessary for the supply, irrespective of circumstances of any kind, including unforeseen circumstances, which might prevail and which affect the costs. The application of Article 1467 of the Italian Civil Code and if applicable of Article 1664 of the Italian Civil Code is therefore expressly excluded.

Article 10 TESTS

All of the goods shall undergo the tests agreed for that use or in any way relating to the material of the supply. Unless otherwise agreed and unless, for technical reasons, they need to be performed at the premises of the Supplier, the only test valid for the acceptance of the materials is the test performed after its arrival at destination. In accordance with the right vested by the first subparagraph of Article 1495 of the Italian Civil Code, VESUVIUS shall have 30 days following their discovery in which to report defects or flaws in the materials, without prejudice to the limit of one year as from receipt. In the event of a negative test, VESUVIUS has the right to seek either the cancellation of the Contract or the replacement of the materials at the expense of the Supplier, or an appropriate reduction in the price agreed, without prejudice, in all instances, to the right of VESUVIUS to claim compensation for damage.

Article 11 TRANSFER OF OWNERSHIP

Ownership of the supply or part thereof shall be transferred by the Supplier to VESUVIUS when either of the following events takes place, whichever comes first:

- 1) payment of the supply or part thereof;
- 2) delivery of the supply in accordance with the purchase order or Contract.

The risk of loss of the supply and any other risk attached thereto shall be borne by the Supplier until acceptance by VESUVIUS.

Article 12 GUARANTEES

The Supplier expressly guarantees the absence of flaws and defects in the supply, and the proper functioning and immediate usability of the Products and Services delivered to VESUVIUS. For a period of one year as from the date of acceptance of the supply by VESUVIUS, the Supplier undertakes, unless otherwise stipulated in the purchase order or Contract, to carry out at its own expense all the modifications, repairs or replacements which may be required to correct errors, defects or omissions which might be shown by the goods delivered, replacing, if VESUVIUS so requests, the goods delivered with others which conform to the guarantee provided. In this case, if the Supplier is not in a position to provide an appropriate solution within a reasonable period of time or in the timescale stipulated by VESUVIUS, the latter is authorised to repair or replace the Products directly, or to arrange for their repair or replacement by third parties, charging the Supplier for the costs attached to the loss/damage. As soon as the repaired or replaced Products or part thereof are restored to operation, a new guarantee period of twelve (12) months shall begin. The cancellation of the purchase order or Contract, on account of the events stipulated therein, or mentioned in these General Procurement Conditions shall become effective as soon as it is notified to the Supplier. Notwithstanding the different timescale specified in Article 1495 of the Italian Civil Code, VESUVIUS can report flaws and defects in the supply to the Supplier within 30 days, respectively, of the delivery if visible, or of the discovery if hidden. A supply which is, wholly or in part, defective, incomplete or non-compliant, shall be retained by VESUVIUS and shall remain available for subsequent verification with the Supplier. VESUVIUS has the right to reject a partial supply, even if the service is indivisible. VESUVIUS shall not be liable for any risks, breakage, damage, fire, omissions or theft after the inspection date should the Supplier have failed to collect the supply.

Article 13 SUBCONTRACTING

The Supplier is prohibited from subcontracting to others, whether wholly or in part, the service covered by the purchase order or Contract without the prior written consent of VESUVIUS. The breach of this obligation shall constitute serious breach of contract and shall entitle VESUVIUS to cancel the purchase order or Contract pursuant to, and for the purposes of, Article 1456 of the Italian Civil Code, without prejudice, in all instances, to the right of VESUVIUS to claim compensation for damage and to a refund of all the costs that may have been incurred. In the written subcontract the Supplier must ensure the assumption and acceptance by the Subcontractor of the same charges and obligations as those assumed by the Supplier under these general procurement conditions. In the event of subcontracting approved in writing by VESUVIUS, the Supplier shall be responsible for the activity and costs attached to the coordination, to all intents, of all the workers, subcontractor firms and subsuppliers, whether appointed by the Supplier itself or by the subcontractors, engaged in performing periodic inspections in order to establish any non-conformities and to enable, in addition, the control, verification and management activity by VESUVIUS. In the event of subcontracting, the Supplier shall in all instances be responsible for observing and applying regulatory treatment and pay for the workers engaged in the subcontracted work, that are on a par with those provided by the national collective agreement for the sector, and fulfilment of all the insurance, social security and welfare obligations required by current legislation and compliance with all the regulations on safety at work. The Supplier is responsible for providing VESUVIUS with a copy of the subcontract within five days of the date of the purchase order or Contract, with the sole entitlement to delete from that copy the items relating to the payments made to the subcontractor. Any subcontract must make express mention of the prohibition on further subcontracting to third parties without the prior written consent of VESUVIUS.

Article 14 SUPPLIER'S PERSONNEL

The Supplier must carry out the supply using suitable personnel of proven capacity, appropriate in terms of quality and numbers to the requirements connected to the obligations arising from the purchase order or Contract. The Supplier must make sure that its staff observe the procedures applied by VESUVIUS for the purpose of controlling entry to the premises and the emergency and evacuation procedures as well as the personal protection clothing/devices to be worn. The Supplier agrees to indemnify and hold harmless VESUVIUS in relation to claims made by its own employees or by the employees of its subcontractors and/or of third parties, consultants or collaborators who carry out their activity, for any reason (relationship of employment or otherwise) in order to execute the purchase order or Contract, also acting in the relative legal proceedings and seeking the exclusion of VESUVIUS. The Supplier must apply regulatory and pay conditions for staff which are on a par with those resulting from the collective labour agreements applicable in accordance with Article 2070 of the Italian Civil Code and must duly fulfil pay, social security, insurance and welfare obligations of any kind in accordance with current laws, regulations and standards. The Supplier is required to protect the staff in any way involved in the Supply. For this reason, it is required to observe and apply all the rules on the protection of health, safety and hygiene at work and the protection, insurance and welfare of workers, and assumes all civil and criminal liability to that end. Nonetheless, it should be understood that the absence of a request from VESUVIUS shall not, in any way, discharge the Supplier from its responsibilities and obligations.

Article 15 INVOICING

Every invoice must specify the details of the delivery documents and the references of the purchase order or Contract, whilst the credit institution to which payments are to be made must comply with current tax regulations and laws.

Article 16 ASSIGNMENT OF CREDIT/CLAIMS AND ASSIGNMENT OF ORDERS

In carrying out the supply, credit/claims accruing to the Supplier in performance of the purchase order or Contract cannot be assigned to third parties, whether wholly or in part, even in the form of an order for collection or other manner of delegation, without the prior written consent of VESUVIUS. If the Supplier submits a written request to VESUVIUS to assign a claim arising from the purchase order or Contract, and VESUVIUS gives its written consent, the deed of assignment drawn up by the Supplier must in all instances and on pain of nullity be certified beforehand by a notary and then be notified to VESUVIUS and by a judicial officer, unless otherwise agreed in writing.

Article 17 INSURANCE

Before executing the purchase order or Contract, the Supplier is required to take out an insurance policy for the duration thereof, for an amount appropriate to the activity to be carried out, but in any case, for NOT less than € 1,500,000.00, to cover all personal injuries and damage to property, including any of its own. The Supplier must send a copy of this policy to VESUVIUS before executing the purchase order or Contract. The policy must contain an express waiver by the insurance company of all action for indemnity against VESUVIUS. The Supplier must, in all instances, hold VESUVIUS harmless from any claim brought by third parties where the above obligations are breached, whether wholly or in part.

Article 18 TRACEABILITY OF CASH FLOWS

The Supplier shall assume all the obligations for the traceability of the cash flows set out in Article 3 of the Law No 136 of 13 August 2010 and subsequent amendments thereto. The Supplier agrees to notify immediately VESUVIUS and the prefecture-territorial office of the Government of the relevant province of news of the breach by its counterparty subcontractor of the cash-flow traceability obligations.

Article 19 LAW 231/2001

Since VESUVIUS has adopted the organisation and management model in accordance with the provisions of the Legislative Decree 231/2001 on the administrative liability of entities, as subsequently amended and supplemented, and those contained in the Code of Ethics, the Supplier henceforth agrees to take full cognizance of those provisions, to share the content thereof and to comply therewith and to ensure that its employees, collaborators and workers do likewise, during performance of this contract. Any breach of this obligation, as well as the application of the penalties under the terms of the Legislative Decree 231/2001 incumbent upon the Supplier shall constitute serious contractual breach and shall entitle VESUVIUS to cancel the contract pursuant to, and for the purposes of, Article 1456 of the Italian Civil Code, without prejudice in all instances to the right of VESUVIUS to seek compensation for any damage suffered. If the Supplier is, in turn, subject to the rules set out in the Legislative Decree 231/01, it shall declare it has taken the necessary measures and precautions designed to prevent the criminal offences included in the scope of the Legislative Decree 231/01, having equipped its business structure with internal procedures and organisation, management and control systems appropriate and conforming to the legal provisions on the administrative liability of entities.

Article 20 INDUSTRIAL PROPERTY

All the technical documents sent to the Supplier by VESUVIUS shall remain the latter's property and the Supplier cannot copy or use them for purposes other than those necessary to execute the purchase order or Contract, unless they are already in the public domain. These documents must be returned to VESUVIUS in good condition as soon as they are no longer needed by the Supplier to fulfil the obligations specified in the purchase order or Contract and in any case, no later than the complete fulfilment of those obligations. The Supplier agrees to indemnify VESUVIUS and to hold it harmless from any charge and dispute relating to the exploitation of any intellectual property right, including, but not limited to, patents, drawings or models, trademarks, knowhow and copyright. As a result of the use of the supply by VESUVIUS: the Supplier expressly declares that whatever it supplies to VESUVIUS shall not give rise to breach of any intellectual property right.

Article 21 LEGISLATION ON THE ENVIRONMENT AND HEALTH AND SAFETY AT WORK

The Supplier guarantees that the Supply complies with all applicable European and national legal requirements and standards concerning the environment, safety and accident prevention. Where applicable, the Products of the Supplier must bear the EC mark, each individually or overall on each batch. Furthermore, they must be equipped with user and maintenance manuals in the language required. Should the Supplier fail to comply or in any way fail to observe these provisions, VESUVIUS is entitled to reject the Supply, charging thereto all possible costs, both direct and indirect. If the Supplier needs to access the sites of VESUVIUS, it must comply with the instructions provided and specifically set out in an appropriate document.

Article 22 CONFIDENTIALITY

The Supplier agrees to keep any information and/or document it receives from VESUVIUS strictly confidential. The disclosure of any information/document to third parties is permitted only to the extent strictly necessary to execute the purchase order or Contract, or to fulfil a legal requirement or regulation. The obligations set out in this article shall be valid for a period of 5 (five) years as from the date upon which the purchase order or Contract is issued.

Article 23 HANDLING PERSONAL DATA

The Supplier and VESUVIUS mutually acknowledge pursuant to, and for the purposes of, Article 13 of the Legislative Decree No 196 of 30 June 2003 (Data Protection Code) that the personal data provided shall be handled solely in pursuit of the contractual purpose as set out herein and to fulfil all related legal requirements, including tax and accounting requirements. The information shall be handled using both computerised and manual means and in all instances it shall be kept in secure environments. The data and information handled may be disclosed to third parties operating in Italy and abroad solely for the stated purposes. The data and information handled shall not be disseminated. In accordance with the aforementioned law, the parties mutually acknowledge that the rights set out in Article 7 of the Legislative Decree No 196 of 30 June 2003 can be exercised at their respective sites. The Supplier must therefore contact the Data Privacy Centre of VESUVIUS and must inform the latter of its own privacy policies. In accordance with Article 8 of the aforementioned decree, it is possible to obtain at any time confirmation of the data with its logic applied to handling/processing and objective with the corresponding updates, amendments and additions, objecting to the processing of the data on justified grounds and secure the deletion of data used in breach of the law.

Article 24 TERMINATION

Besides in the cases defined by law and those already specified, VESUVIUS can, in light of bankruptcy or enforcement proceedings brought against the Supplier, or of changes to the ownership or shareholding structure of the latter, terminate the contract by simple written notification of its desire to use this clause which shall take effect on the date of the notification of termination. Without obligation other than to pay the cost of the deliveries duly made sic. It should be understood that if liquidation proceedings or proceedings aimed at declaring bankruptcy or any other insolvency proceedings are in place against the Supplier, and in the case of termination or cessation of the contractual relationship for any reason attributable to the Supplier, the latter is required to make available to VESUVIUS for the purpose of completing the services covered by the purchase order or Contract the designs, corresponding drawings and technical documents prepared thereby, without the right to indemnity or compensation whatsoever.

Article 25 APPLICABLE LAW AND JURISDICTION

Unless otherwise agreed in writing, the Contract shall be governed by Italian law. The Genoa courts shall have sole jurisdiction for any dispute relating or in any way connected to the interpretation, effectiveness, performance or termination of the purchase order or Contract.