

**GENERAL CONDITIONS OF PURCHASE integrating part of the Orders sent by SELI S.r.l.**  
**Valid for Suppliers having seats in outside EU**

**1) RECITALS:**

1.1. Except for the terms differently agreed between the Parties, the present General Conditions of Purchase (hereinafter indicated as "General Conditions") regulates all the sales of goods produced and/or commercialized by the Seller (hereinafter indicated as the "Supplier") and SELI s.r.l. (hereinafter indicated as "SELI"). 1.2 This General Conditions shall prevail and supersede any other terms and general conditions, even if they are sent by the Supplier and even if they are sent by the Supplier after having received the present General Conditions. 1.3 The present General Conditions shall regulate all present and future sales agreements between the Supplier and SELI. 1.4 Supplements of Order as well as restocking are subject to these General Conditions.

**2) PURCHASE ORDERS:**

2.1. The Purchase Orders collected by the Supplier shall be confirmed in writing within four (4) days upon receipt of the Purchase order. After said four (4) days period, the Purchase Order shall be deemed as wholly accepted, and shall be therefore considered as fully valid and effective. 2.2. The Purchase Order sent by SELI complying with the terms of the Offer sent by the Supplier is considered as automatic acceptance of the Offer. 2.4. These General Conditions shall prevail on any terms and/or conditions, and any modifications or deviations from them must be agreed in writing.

**3) PRICES:**

3.1. The Prices are fixed and unchangeable for the whole duration of the execution of the Purchase Order, unless otherwise provided in the Purchase Order itself. 3.4. Any increase in the prices of raw materials and/or incidents which involve an increase in the price of raw materials and / or workmanship, shall not give to the Supplier the right to increase the sales prices, unless said increase is for more than 10%. In this case, SELI shall be entitled to choose between the cancellation of the Purchase Order and the pro quota increase of the Price.

**4) PAYMENTS:**

4.1. Unless otherwise expressly provided in the Purchase Order sent by SELI, the payment of the prices of the purchased Products shall be made by wire transfer within 90 days upon the issue of the invoice by the Supplier.

**5) VARIATIONS OF ORDER**

5.1 During the execution of the Supply, SELI may change the quality, quantity, characteristics and / or the shape of goods, materials and / or services purchased from the Supplier; said changes shall be promptly carried out by the Supplier.

5.2 In case the changes of which above affect the prices and/or the terms of delivery, the Supplier - upon previous written agreement with SELI - may be entitled to an additional compensation and/or to an extension of the delivery period.

5.3 Any amendment on the Purchase Order (sent by mail, fax or e-mail) will have to be confirmed by the Supplier, who must send the confirmation to SELI SRL at its registered office within four (4) days upon receipt of the request of modification sent by SELI. After said four days period, the new order will be deemed as accepted in each of its parts and will enter into force in a definitive way.

**6) DELIVERY:**

6.1. The Supplier shall deliver the Products to SELI within the date indicated on the Purchase Order. The terms of delivery shall be considered as binding for the Supplier, regardless of the explicit acceptance of said terms by the Supplier. 6.2. The Supplier will incur in responsibility in case of delayed shipment with respect to the term agreed with SELI; therefore, in case of delays in the delivery of the Products, SELI has the right to seek for compensation of direct and indirect damages and/or to the termination of the Contract with the Supplier. 6.3. The delivery is considered as correctly carried out when the Products reach SELI'S premises, unless otherwise provided in the Purchase Order. 6.4. The packaging must be appropriate in consideration of the nature of the Products supplied and in consideration of the means of transportation chosen for the delivery; consequently all damages for defective packaging will be borne by the Supplier, even in case Parties agree that the Products will be delivered EX WORKS (EXW) Incoterm 2010.

6.5 In case of late delivery, the Supplier shall pay to SELI a penalty equal to 0.5% of the value of the Purchase Order for each day of delay, up to a maximum of twenty (20)% of the value of the Purchase Order sent by SELI, unless otherwise specifically indicated in the Purchase Order.

**7) WARRANTY:**

7.1. The Supplier warrants that the Products are in compliance with the requirements and specifications indicated in the Purchase Order sent by SELI, duly accepted in its entirety by the Supplier. The Supplier further guarantees that the Products are suitable for the intended use and free of defects, flaws, imperfections, and that they comply with the regulations applicable to the Products supplied. This warranty, unless otherwise indicated in the Purchase Order, shall be valid for 24 months starting from the date of delivery of the supply.

7.2 In case, during the warranty period, SELI detects defects and / or malfunction on the Products, SELI will inform the Supplier of said defects within 70 days upon discovery of said defects. The Supplier shall intervene and repair the Products within a maximum of ten (10) days upon receipt of the communication in which SELI demands the Supplier's intervention. The supplier will repair or replace the defective product without charge for SELI, or send a credit note in favor of SELI for the value corresponding to the price of the defective Product.

7.3 In case of lack of reply by the Supplier within the term of ten (10) days of which above, SELI will have the right to intervene directly and / or through third parties, and the costs of repair will be at the Supplier's charge. As an alternative, SELI shall have the faculty to resolve all or part of the sales agreement, without prejudice to SELI's right to seek for compensation for damage suffered.

7.4 In any case, after verification by SELI, the latter will send a provisional report on the defects of the Products. After 8 days upon receipt of said report, SELI will have the right to send to the Supplier a debit note for the amounts mentioned in the Supplier's report. This amount will be offset by the amounts indicated in the sales invoices of the supplier.

7.5 The Products repaired and / or replaced under the present warranty will be guaranteed by the Supplier for the same period of time and under the same conditions as the Products originally supplied.

**8) PROCESSING UNDER CONTRACT**

8.1 In case, for the fulfillment of the supply, the material is supplied in full and/or in part by SELI or on behalf of it, the Supplier shall verify, at its own expenses, that these materials comply with the instructions given by SELI, and shall notify in writing any discrepancy within three (3) days upon delivery. After that period, in case of lack of notice from the supplier, SELI will deem the material as compliant and any possible discrepancy in the quality and/or quantity will be entirely borne by the Supplier.

**9) FORCE MAJEURE AND HARDSHIP:**

9.1. Each party shall be authorized from performing any of its obligations under these General Conditions for a period no longer than 45 days due to the following circumstances: natural disasters (for example earthquakes, floods), commercial disputes, events of Force Majeure, such as wars fires (both declared and undeclared), general military mobilizations, insurrections, seizures, requisitions, energy use restrictions, transport perturbations, strikes, lock out, stop and any other events which could not be expected, avoided and overcome. These events do not allow the Parties to terminate the contract without the consent of SELI. If the event of force majeure will last for more than 60 days, the other party shall be authorized to terminate the contract notifying the party facing this hindrance of such a termination by means of registered letter with return receipt. This latter part will not be obliged to compensate any damage in this case. 9.2. If the performance of the obligation by SELI has become excessively burdensome as to modify the contract for more than 20% (twenty per cent), SELI shall have the right to demand the modification of the contractual conditions or, at his choice, to terminate the contract.

**10) TECHNICAL DOCUMENTATION**

10.1 The Supplier shall provide the technical documents required by the nature of the Products supplied and the information required in the Purchase Orders together with the supply or no later than ten (10) days upon delivery of the Products, unless otherwise indicated in the Purchase Order

10.2 The technical documentation will be provided in at least one (1) hard copy and one (1) electronic copy in Italian, French and English, unless otherwise provided in the Purchase Order.

10.3 The technical documentation is considered as part of the delivery. If, after the ten (10) days period as per art. 10.1, the documentation will still be missing, SELI will be authorized to suspend the payments.

**11) ACCEPTANCE OF THE GOODS**

11.1 The mere delivery of the Products does not imply acceptance of the supply by SELI. The explicit or tacit acceptance of SELI is to be considered only for those Products that are free from defects and / or imperfections.

11.2 In case of defects, imperfections and/or differences between the Products supplied and SELI's instructions, or in case of lack of qualities the Supplier must promptly intervene upon simple written request by SELI to eliminate defects and aligning the materials, products and / or services provided. This intervention should be made within a maximum of five (5) days upon notification by SELI of occurrence of the defect/imperfection/noncompliance of the Products.



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11.3 The nonconformity between the Products and the standards specified in the Purchase Orders and/or the lack of intervention by the Supplier for the elimination of defects/ imperfections within the above mentioned period will be considered as a serious breach. Therefore, SELI shall be entitled to demand the termination of the purchase agreements and to seek for compensation for any subsequent damage.

**12) RISKS AND TRANSFER OF OWNERSHIP**

12.1 The risks of transportation and shipment of the Products are borne by the Supplier, unless otherwise indicated in the Purchase Order. All the risks of deterioration, damage, loss of materials, products and / or services provided by the Supplier and the property of the Products will be transferred to SELI SRL upon delivery of the same, as shown in the Purchase Order.

**13) INDEMNITY**

13.1 The Supplier shall indemnify SELI for all costs, expenses, damages or other costs borne by the same SELI descending from the non-fulfillment of any of the clauses provided herein, from the violation of third-parties property rights (or intellectual property rights) caused by the Products supplied to SELI and for any complaint received by SELI in relation to defects in the Products.

13.2. In addition, the Supplier shall be obligated to indemnify SELI from any liability resulting from defective or dangerous (for health) Products

13.3 The Supplier shall keep SELI fully indemnified from any third parties' claim for compensations due to defects, non-compliance or non-reliability of the Products.

**14) CONFIDENTIALITY**

14.1 The Supplier agrees not to disclose to third parties before, during and after the execution of the supply information, technical data and commercial secrets related to the Purchase Order received by SELI.

14.2 The Supplier undertakes, both during the period of validity of this Agreement and after his termination for any reason whatsoever, to keep strictly confidential all the "Confidential Information" that, under the contract, will be transferred and / or delivered. The term Confidential Information (hereafter named "Confidential Information") includes all information provided to the Supplier by SELI or on behalf of the latter, whether they are written, oral, or filed with any kind of electronic device, which can be reasonably considered as sensitive, confidential or proprietary information of SELI, including for example - but not limited to - the following:

knowledge, information, drawings, models, know-how, documentation, analyzes, calculations studies, copies, transcripts, production processes and production sites of the Products, organizational sheets, samples, components or ingredients of the product formulations, mechanical equipment, trade secrets and any other data transmitted to the Supplier by or on behalf of SELI.

14.3. The Supplier shall not disclose the Confidential Information to any third Party, and shall extend this obligation to all its employees. The Supplier shall be entirely responsible for any failure in fulfilling the obligations provided under the present clause, even in case of breach by its employees. The Supplier further agrees not to use the Confidential Information

disclosed by SELI for purposes other than that the supply of the Products.

14.4. The Supplier may use the Confidential Information only for achieving the scope set out in this contract.

14.5 The drawings, specifications and technical documents made available by SELI for the Supplier for the proper execution of the Purchase Order shall remain the exclusive property of SELI and may be used only for the execution of the supply. The Supplier shall be responsible for their diligent conservation.

**15) MISCELLANEOUS:**

15.1. These General Conditions will not be transferable or assignable by the Supplier without the express prior written consent by SELI.

15.2. These General Conditions supersede all previous negotiations, agreements, commitments, written or oral, between the parties.

15.3. Should any provision of this Agreement be invalid or unenforceable or should it contain an omission, the remaining provisions shall be valid.

15.4 Any act of tolerance by SELI in connection with the performance of any contractual obligation expressly stated herein, as well as the failure to exercise a right, cannot give rise to any right not explicitly mentioned in the Purchase Order and in these General Conditions of Purchase.

**16) APPLICABLE LAW AND JURISDICTION:**

16.1. This General Conditions and the agreements regulated by them shall be regulated and interpreted in accordance with the Vienna Convention (1980) as integrated by the Italian law for all the aspects not covered by the Convention itself if the Supplier has the seat in a country in which the Vienna Convention is applicable.

If the Supplier has the seat in a Country that did not ratify the Vienna Convention but that allows the choice of law for business agreements, it is agreed that these General

Conditions and the agreements regulated by them shall be regulated and interpreted under Italian law.

Just as a subsidiary solution, for Suppliers having seat in a Country that does not allow the choice of law and did not ratify the Vienna Convention, it is agreed that these General Conditions and the agreements regulated by them shall be regulated and interpreted under the law of the Supplier.

12.2. Parties agree that depending from the Country in which the Seller has its seat, any dispute between the Parties relating to or in connection with this General Conditions and to the agreement regulated by them shall be settled by:

for Purchaser with legal seat in an extra EU Country: any dispute shall be settled by a sole Arbiter appointed under the Rule and Regulation of the International Chamber of Commerce (ICC). Seat of Arbitration shall be Geneva (Switzerland), language of arbitration shall be English. The award shall be final and binding upon the Parties.

for Suppliers with legal seat in China: any dispute shall be settled by a sole Arbiter appointed under the Rule and Regulation of CIETAC. Seat of Arbitration shall be Shangai (China), language of arbitration shall be English. The award shall be final and binding upon the Parties.

For Suppliers with legal seat in Hong Kong: any dispute concerning the interpretation and execution of these General Conditions shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The numbers of Arbitrators shall be one (1). Seat of arbitration shall be Hong Kong. Language of Arbitration shall be English. The award shall be final and binding for both the Parties.

for Suppliers with legal seat in United Arab Emirates: any dispute shall be settled by a sole Arbiter appointed under the Rule and Regulation of DIAC. Seat of Arbitration shall be Dubai (UAE), language of arbitration shall be English. The award shall be final and binding upon the Parties.

for Suppliers with legal seat in one of the Gulf Countries (except UAE): any dispute shall be settled by a sole Arbiter appointed under the Rule and Regulation of GCCAC. Seat of Arbitration shall be the capital city of the Country in which the Supplier has its seat. Language of arbitration shall be English. The award shall be final and binding upon the Parties.

After 5 (five) working days from sending these General Conditions, if SELI does not receive anything, SELI shall consider unconditionally accepted all the above points. In any case, the acceptance of the Products shall imply the full acceptance of these General Conditions.

**SELI SRL**  
**Marco Basso**  
**Amministratore Delegato**  
*Marco Basso*

The Supplier  
.....  
(stamp and signature)

According to the articles 1341 and 1342 c.c., the SELI expressly approves the follow articles: 3 (prices) 4 (payment), 5 (variations of orders), 6 (delivery), 7 (warranty), 8 (processing under contract); 9 (force majeure and hardship); 10 (technical regulations), 11 (acceptance of the goods), 12 (risks and transfer of property); 13 (indemnity); 14 (confidentiality); 15 (miscellaneous); 16 (applicable law and jurisdiction).

The Supplier  
.....  
(stamp and signature)