

GENERAL PURCHASE CONDITIONS – GESTIND SPA

These General Terms and Conditions of Purchase constitute the General Terms and Conditions of Purchase of company Gestind S.P.A. (hereinafter, the “Buyer”).

They are subordinate to the Special Conditions set out in the Supply Orders issued by the Buyer, which therefore shall prevail over these General Conditions.

1 GENERAL

- 1.1 The contractual relationship arising from the execution of an order is regulated by these conditions and the specific conditions set out in the order, as well as by the general and detailed specifications on order fulfilment. Therefore, any term of sale in use by the Supplier that conflicts with such conditions shall not apply. Exceptions and additional conditions shall be valid only if agreed on in writing.
- 1.2 *The Supplier shall formalise its acceptance by returning a copy of the order duly signed. If the Buyer does not receive a signed copy of the order, supplying the goods shall be construed as acceptance of the general and special terms and conditions as per point 1.1.*
- 1.3 By accepting the order, the Supplier undertakes to comply with all civil law, taxation, administrative, currency, customs and social security statutory provisions and the Buyer shall not in any way be held liable for any irregularities on the part of the Supplier.
- 1.4 In the event of serious and manifest circumstances making it foreseeable that the Supplier will not be able to fulfil the commitments undertaken, as well as in the event of bankruptcy, composition with creditors, extraordinary administration proceedings or commencement of insolvency proceedings against the Supplier, or in the event of liquidation or sale of the company, the Buyer shall have the right to terminate the contractual relationship with a simple written notice.
- 1.5 Any conduct, or repeated conduct, by either Party that does not conform to one or more of these conditions shall in no case undermine the right of the other Party to demand compliance with these conditions, at any time.
- 1.6 For any dispute between the Parties in connection with or arising from this contract, the Court of Turin shall have exclusive jurisdiction. The applicable law shall always be the law of Italy.
- 1.7 *Please refer to the following documents: loan agreement, project contract, letter of principle.*
- 1.8 The Supplier shall declare the contents and origin of the products, including the presence of minerals coming from conflict regions and the possible presence of substances of very high concern (“SVHC”) and shall provide the necessary documentation.
- 1.9 Through the International Material Data System (“IMDS”) the Supplier shall make available such information on the substances contained in the products as is necessary for the Buyer to be able to fulfil its obligations under the directive in force.
- 1.10 *The Supplier undertakes to perform its activities with due diligence at all times.*

2 GUARANTEE

Each delivery shall be deemed to be made with the Supplier's guarantee that the goods delivered are free from defects of any kind, including hidden defects; notwithstanding the provisions of Articles 1495 and 1667, the Buyer may notify any defect or fault at any time.

The provisions set out in point 8 below also apply.

3 NON-COMPLIANCE

In the event of non-compliance with any of these general terms and conditions of supply, the Buyer reserves the right to retain the amount due to the Supplier for any reason whatsoever, as partial compensation for damages.

4 ADVERTISING - TECHNICAL INFORMATION

- 4.1 The Supplier undertakes not to publicise its business relations with the Buyer, to treat as confidential all technical, commercial or other information that comes to its knowledge in connection with the fulfilment of the order, and to make its personnel aware of this obligation.
- 4.2 The technical information that the Buyer makes available to the Supplier for the fulfilment of its orders (which, in addition to the foregoing, shall be understood to include any type of technical or technological information or documentation, as well as models, prototypes, samples, equipment) shall remain the exclusive property of the Buyer.
- 4.3 The Supplier also undertakes to return the aforementioned technical information upon termination of the reason for the assignment or upon the Buyer's simple request, and to take action to ensure that third parties also comply with the obligations set forth in this section 4.

5 INDUSTRIAL PROPERTY RIGHTS

The Supplier guarantees the freedom of use and trade of the materials supplied, both in Italy and abroad, and therefore assumes all liabilities toward any holders of patents or other industrial property rights, and undertakes to indemnify and hold the Buyer harmless from any claim by third parties.

6 SPECIFIC EQUIPMENT - MATERIALS FOR PROCESSING

- 6.1 The Specific Equipment (models, drawings, dies, electrodes, gauges, control equipment, as well as all equipment so defined by the Buyer, etc.) made available to the Supplier by the Buyer for the fulfilment of an order shall be deemed assigned on loan (loan for use) pursuant to Art. 1803 et seq. of the Italian Civil Code. In relation to the aforementioned Specific Equipment, the Supplier is also required to: a) register the materials and mark them in such a way that their origin is unmistakable; b) take all the necessary measures for their preservation and also provide for scheduled maintenance at its own expense; c) at its own expense provide for insurance against fire, theft, tampering, vandalism and disaster risks as well as any other risks of loss or damage. In any event, the Supplier shall be liable for the loss or deterioration sustained by such equipment, and may be required to supplement the insurance indemnity;

d) promptly notify the Buyer of any need for extraordinary maintenance work, which must be agreed on and authorised by the Buyer in writing. If this need arises due to unforeseeable circumstances or force majeure events, willful misconduct, even minor misconduct, negligence or other causes attributable to the Supplier, its employees, collaborators or third parties at the Supplier's premises, all costs shall be borne by the Supplier; e) allow the Buyer's employees to check, during normal working hours, the equipment's state of preservation and use and compliance with these regulations.

6.2 The obligations set out in 6.1 shall also apply, with the necessary adaptations on account of their nature being different from that of the Specific Equipment, to the materials (semi-finished products, raw materials) that the Buyer places at the disposal of the Supplier for processing in connection with the fulfilment of the order.

6.3 the SUPPLIER

- shall neither transfer production to another production plant nor transfer production to another supplier,
- shall not use any equipment/dies other than the equipment/dies used for the production of PPAP parts,
- shall not use any raw materials or components other than those indicated on the drawing or other documents provided by the Buyer,
- shall not change any step of the approved production process without the prior authorisation of GESTIND S.p.A.

The SUPPLIER may request ONE CHANGE to the above requirements, but both the SUPPLIER's request and GESTIND's answer must be in writing, and any change must be endorsed by the end Customer and verified by specific audits.

7 QUALITY AND RELIABILITY OF THE PRODUCTS SUPPLIED

7.1 The products supplied must be manufactured in accordance with the technical information provided (drawings, specifications, standards, tables, technical specifications, and any sample made available to the Supplier by the Buyer).

7.2 The Supplier also undertakes to comply with the requirements contained in the specific regulations concerning the commodity class of the product supplied, which the Supplier shall read and be aware of.

7.3 *The Supplier is required to requalify the products supplied annually by subjecting them to the specific tests defined for the various product types in Appendix E "Parameters to be certified".*

8 ACCEPTANCE OF THE PRODUCTS SUPPLIED

- 8.1 Notwithstanding the provisions set out in paragraph 2 above, the mere delivery of the goods shall not be considered as acceptance of the same unless the goods have been checked and approved by the Buyer's control bodies as to their qualitative and quantitative conformity.
- 8.2 Materials delivered in excess of the order, if the excess quantity is not in the interest of the Buyer, shall be made available to the Supplier with a notice, which may also be given by telephone. If the Supplier fails to collect them after 10 work days of the date of notice, the materials shall be returned at the Supplier's expense and risk. If the Buyer does not exercise this right, the terms of payment of the invoice for materials delivered in excess shall run from the delivery date agreed on.

9 MEASURES IN THE EVENT OF DEFECTS IN THE MATERIALS SUPPLIED

If, upon acceptance inspection, the materials delivered by the Supplier prove to be defective, i.e., non-conforming, the Buyer shall have the right to demand that the Supplier, at its own expense, thoroughly inspect the materials to be delivered before dispatch until the Supplier has proven to the satisfaction of the Buyer that it has brought its production/testing process under control. If the defect is detected prior to use in production, the Buyer shall have one or more of the following options:

- obtain, at the Supplier's expense, the immediate selection and replacement of the materials supplied and/or the entire batch they are part of;
- reject the entire batch at the Supplier's expense without requesting its replacement if of no use to the Buyer;
- select and recover the materials in question at the Supplier's expense and risk (possibly through certified providers), with additional processing in case of urgency, in cases where the Supplier is unable to provide an immediate replacement, or in cases agreed on with the Supplier.

In the event that a defect is detected in the materials supplied during or after their use in production, in addition to the foregoing, the Buyer shall be entitled to charge the Supplier the cost of the replacement operation (assembly and disassembly) of the materials supplied, as well as the cost of other parts and components that may have been damaged because of the defective materials.

If defects are discovered when the parts produced by the Buyer have left the production plant and up to the expiration date of any contractual and/or legal warranty given by the Buyer to its end Customer, the Buyer shall have the right to charge the Supplier for the costs incurred as a result of the defect(s).

In the event of product non-conformity to the terms of the agreement, Gestind requires an analysis according to form 8d supplied with the Quality Notification (QN) and the certification of the 3 batches following the implementation of the corrective action carried out to remedy the non-conformity.

A containment action, implemented within 24 hours after the report, and a final corrective action, with a full analysis on form 8d, carried out within 5 work days after the report, are required and any departure from the established timeframe must be requested in writing from Gestind.

In case of no response to the QNs (quality notifications) debit notes will be sent.

10 RECALL CAMPAIGNS

If, at any time, the Buyer decides to undertake a recall campaign for a component in order to replace or repair materials affected by a defect that could undermine the safety of the systems onto which the component is mounted, the Supplier shall deliver to the Buyer – as a matter of urgency, without any additional charges to the Buyer, and without suspending or delaying normal scheduled deliveries – the components necessary to implement the recall campaign, and shall reimburse the costs incurred to purchase, handle, package, ship and transport the replacement products, as well as the cost of the operations necessary to replace and/or repair the materials and to identify the components affected by the recall campaign.

11 DELIVERIES

- 11.1 Marking, packaging, dispatch and transport of the goods ordered must be defined jointly with the Buyer.
- 11.2 The products delivered **MUST** be identified on each container with the code specified by Gestind in the order.
- 11.3 For the purpose of ascertaining compliance with the delivery terms and the transfer of risk from the Supplier to the Buyer, the delivery of the materials shall be deemed to have taken place when the goods are handed over to the Warehouses and/or the Destination Plants specified in the Order if the transport is to be carried out by the Supplier.
- 11.4 The delivery terms agreed to with the Supplier are specified in the individual orders and are binding.
- 11.5 *Any order variations due to changes required by the Buyer's end Customer shall be accepted unconditionally.*
- 11.6 If the Supplier makes an early delivery on its own initiative, the relevant payment shall be made by considering as payment starting date the date specified for the delivery in the order or in the Delivery Schedule.
- 11.7 If the punctual fulfilment of the order is prevented by the occurrence of demonstrable force majeure circumstances, the delivery terms shall be deemed extended for the duration of the force majeure event provided that the Supplier informs the Buyer in writing in good time of the occurrence of the force majeure circumstances and takes all possible measures to minimize their effects.
- 11.8 If a force majeure event results in a delay that is incompatible with the Buyer's production requirements, the Buyer shall have the right to terminate the order in whole or in part with a simple written notice to the Supplier.
- 11.9 In the event of delays not due to force majeure, the Buyer can resort to one of the following options:
- demand that the order be fulfilled, in whole or in part, applying a conventional penalty of 5% the value of the undelivered goods for each week of delay, without prejudice to the right to seek compensation for greater damages;
 - procure the materials ordered, in whole or in part, from third parties, notifying the Supplier and charging to the latter any additional costs incurred;

- c) terminate the order with immediate effect, notifying the Supplier thereof, in accordance with Article 1456 of the Civil Code.
- d) *in the event of delays in deliveries attributable to the Supplier resulting in incomplete production or downtime, the Buyer shall be entitled to charge the Supplier for the relative fixed costs and the costs of unused labour and/or additional labour required for recovery.*
- e) *the foregoing shall be without prejudice to the right of the Buyer to claim indemnification for any further damage suffered if the non-delivery or delayed delivery undermines the Buyer's ability to adhere to the end Customer's time schedules.*

11.10 Open (or Scheduled) Order

If an order provides for its fulfilment by means of an Open (or Scheduled) Order, the relative methods, as well as the mutual obligations governing this specific supply relationship are regulated by the "Special Purchase Conditions for Open (or Scheduled) Orders" attached to the basic order, of which they form an integral part, and which the Supplier undertakes to accept and sign, as well as by these General Terms and Conditions insofar as compatible.

12 TRANSPORT DOCUMENTS, INVOICES AND PAYMENTS

The Supplier is required to compile the documents accompanying the goods, and to issue the relative invoices according to the taxation and civil law provisions in force.

12.1 Transport documents

In addition to point 11.1, transport documents shall state:

- a) Supplier's name and code;
- b) Buyer's name and address for tax purposes;
- c) Destination address (if other than the one given under b);
- d) Order number and date;
- e) Drawing and description of the product as stated in the order;
- f) Unit of measurement and quantity of each batch shipped, number of packages making up the batch, and any other information required by the order.

12.2 Invoices

Invoices shall be addressed and sent to the interchange system and shall cover products that are part of a single order.

They shall also show: a) Supplier's code; b) order number and date; c) number and date of goods transport documents; d) unit of measurement, quantity and description of the products sold.

Payments are made according to the terms specified in the order. Drafts and/or bank receipts are not accepted unless expressly authorised in advance.

If delivery of the goods takes place in the month following the invoice date, the date of delivery shall be the payment start date.

If the Buyer decides to request replacement of non-conforming goods, as provided for in paragraph 9 above, the Buyer has the right to withhold, from the total amount due to the Supplier at the time, the payment of an amount equivalent to the value of the disputed goods until the Supplier has provided the replacement.



13 PRICES

13.1 The prices stated in the Orders are fixed; price changes on the basis of subsequent extraordinary and unforeseeable changes in the cost of raw materials or design changes shall not be accepted unless they have been expressly and specifically agreed upon in writing between the Buyer and the Supplier.

13.2 The terms of delivery will be specified in the Orders by reference to the Incoterm regulations in force at the time the Orders are formulated.

14 RETURNS

If the contract is terminated pursuant to paragraphs 1.4, 11.6, 11.7 c) or the supply relationship is interrupted for any reason whatsoever, the Supplier shall immediately return to the Buyer the technical information, the Specific Equipment, the materials provided for processing (semi-finished products and raw materials) and the prototypes.

Supplier's stamp and signature _____

To the intents and purposes of Articles 1341 and 1342 of the Italian Civil Code, we declare that we have read and expressly approve the following clauses 1.4, 1.6, 2, 3, 5, 8.1, 8.2, 9, 11.5, 11.6, 12.2 last paragraph.

Supplier's stamp and signature _____



GESTIND S.p.A.

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Fax 0039-011-963.73.08
Turin Trade Register no. 04448410011
Share Capital 2,184,000 euros fully paid up
Sole Shareholder Company



GESTIND S.p.A. (hereinafter “GESTIND”) with Registered Office, Plant and Management at BRUZOLO 10050 (TO) - Strada Statale 25 Km 41, Turin Trade Register no. 04448410011, Sole Shareholder Company

and

SUPPLIER SPA (hereinafter “SUPPLIER”), with registered office in *.....,

VAT number *.....,

represented by its Legal Representative Mr. *.....

* Fill in the blanks

WHEREAS:

- a) GESTIND operates in the fields of design, development, manufacture and marketing of headrests, armrests and components, mainly for the automotive vehicle sector, with a plant in Bruzolo (TO);
- b) it is in the primary interest of GESTIND to ensure that its products meet the highest standards of safety, quality, reliability, service and highly competitive costs;
- c) SUPPLIER believes it is in a position to contribute to the fulfilment of such primary interests of GESTIND by creating the conditions for the commencement and development of a supply relationship between itself, the SUPPLIER, and GESTIND;
- d) GESTIND and SUPPLIER mutually acknowledge that on account of the current organisation of the automotive sector it is essential to resort to organisational systems providing for process integration between SUPPLIER and Customer and requiring a high level of cooperation;
- e) GESTIND needs to purchase parts and components (hereinafter referred to as MATERIALS for the sake of brevity) for components intended for its Customers;
- f) SUPPLIER has specific technical and professional capacities, in terms of both qualified personnel and equipment and machinery as are necessary to meet GESTIND's requirements;
- g) GESTIND intends to ask SUPPLIER to supply the MATERIALS as described above, and SUPPLIER intends to accept under the conditions set out hereunder;
- h) GESTIND's applicable mandatory requirements are as provided for in standards ECE17 ECE21 and ECE25.

Now therefore, by entering into this Supply Contract, the Parties

AGREE AND STIPULATE AS FOLLOWS

- 1 – PREAMBLE: the preamble is an integral part of this Supply Contract.
- 2 – PURCHASE PRICE: the purchase price of the MATERIALS to be supplied under this Supply Contract is as specified in the **Purchase Price List and Equipment List**, a document that is an integral part of this Contract in all its parts and contents and is to be considered valid from the start of production.

The annual volume, where specified in the Purchase Price List, is to be construed as indicative and therefore subject to variations as a function of GESTIND's end Customer requirements, without SUPPLIER having the right to make any objection in this connection.

3 – ANNUAL EFFICIENCY PLAN (L.T.A.): where agreed upon, a price reduction plan as detailed in the Purchase Price List shall apply. Purchase prices are fixed and come into force on the dates specified in the Purchase Price List; price variations on the basis of subsequent changes in the cost of raw materials of an extraordinary and unpredictable nature or technical/design changes shall not be accepted unless expressly and specifically agreed to in writing by GESTIND and SUPPLIER. However, GESTIND reserves the right to periodically verify on the market the competitiveness of the prices applied by SUPPLIER for the MATERIALS supplied. This condition is to be considered essential for the validity of this Supply Contract.

4 – EQUIPMENT: where applicable, the purchase price to be paid by GESTIND for the equipment necessary for the production of the MATERIALS to be supplied under this Supply Contract, (dies, molds, inspection gauges and accessories) is indicated in the Purchase Price List and shall be construed as valid under the conditions set out in the specific **Equipment Loan Agreement** sent to SUPPLIER, which is attached to this Supply Contract.

The production capacity of such equipment shall guarantee the volume indicated in **the Purchase Price List and Equipment List** attached to the aforesaid Loan Agreement.

Before proceeding with the construction of the equipment, SUPPLIER shall submit the following documentation to GESTIND's Industrialisation Department for specific approval:

- construction progress plan for each individual piece of equipment, for monitoring purposes;
- specific expenditure curve document showing the economic impact, if any, of any changes that may be subsequently made to the project.

It remains understood that SUPPLIER shall accept changes to the design of each individual MATERIAL, without requesting any price increase from GESTIND, provided that the changes are communicated to SUPPLIER within 20 work days of the joint signature of this Supply Contract and that the geometrical configuration of the modified MATERIAL does not entail changes to the dimensions of the dies or additional processing steps.

The lifespan of the equipment shall guarantee a production cycle of at least 10 years from the start of production according to the annual volumes envisaged and indicated in the Purchase Price List and a further 10 years to meet GESTIND's MATERIALS requirements in terms of spare parts.

5 – PAYMENT: Payment for the MATERIALS supplied by SUPPLIER shall be made as agreed by the parties and as specified in the closed or scheduled orders, and only by Bank Transfer.

Payment for the equipment envisaged shall be made as agreed by the parties and specified in the orders, and only by Bank Transfer.

6 – RETURNS: return conditions shall be specified in the orders with reference to the Incoterm rules in force at the time the orders are placed.

7 – PACKAGING: in general, the packaging unit shall be described in the packaging data sheet defined jointly by the parties.



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8 – DELIVERIES: individual deliveries shall be made against specific Open Orders accompanied by the **Special Conditions valid for Schedule Deliveries**, and in compliance with the logistics instructions RECEIVED
The supply schedule shall comply with the following flow and management methods:

- multi-weekly or weekly delivery flow to our plant by appropriate means at the times agreed to with our Logistics Department;

9 – SAMPLING: before proceeding with standard deliveries of the MATERIALS, SUPPLIER shall provide GESTIND with samples accompanied by all the documentation required by level 3 Production Part Approval Process (PPAP) Procedures.

10 – TIMELY DELIVERY: MATERIAL samples shall be made with the final equipment and through final production processes and shall be delivered by the deadlines specified in the Equipment List for the completion of the first die for each MATERIAL.

For 1 week of delay GESTIND reserves the right to apply a penalty of 5% the total price of the equipment in question; from the second to the fourth week of delay, a further penalty of 1.0% per week shall be applied, with a maximum penalty of 10% the total amount of the equipment. If the delay exceeds four weeks, GESTIND reserves the right to procure the MATERIAL in question from other Suppliers, charging SUPPLIER any additional costs with respect to the prices agreed to.

11 – QUALITY: the essential requirements to be fulfilled by SUPPLIER in terms of product, process and service quality are as normally set out in IATF 16949:2016.

GESTIND notifies to SUPPLIER the quality objectives for the MATERIALS to be supplied under this Contract both in terms of ppm per pieces delivered and in terms of performance (indicated on VENDOR RATING REPORTS sent each year).

Note that that for the type of materials you will supply the objectives envisaged are:

^a ppm

These quality objectives will be redefined in the coming years pursuant to a trend towards continuous improvement.

In addition to the normal charges for any extra costs incurred by GESTIND, failure to comply may give rise to a decrease in the supply quota assigned to SUPPLIER and even the outright termination of the Supply Contract.

According to the intervals specified in document "Parameters to be Certified" attached to this Supply Contract, SUPPLIER shall send the certificates attesting conformity to the parameters listed for the types of MATERIAL to be supplied under this Contract.

12 – WARRANTY: the supply of the MATERIALS provided for in this Contract shall be guaranteed for a period of 36 months (thirty-six months) from the date of delivery; hence, all the characteristics specified in the technical drawings of the individual MATERIALS shall remain unchanged for the entire duration of the period in question.

^a the value will be communicated by the Quality Department

13 – **PRODUCTS LIABILITY:** In the event of our End Customer or third parties claiming that GESTIND has failed to comply with applicable regulations on the protection of safety, health and the environment and/or construction and/or homologation standards on account of alleged defectiveness, SUPPLIER, as appropriate, without prejudice to its liability towards the damaged party, shall hold GESTIND harmless from all and any claims of authorities in charge and/or the alleged damaged third party.

In this connection, SUPPLIER shall take into due account the contents of the attached Letter of Principle on Product Quality Documentation for products with higher documentation requirements.

14 – **VALIDITY OF THE SUPPLY CONTRACT:** The supply of the MATERIALS to be supplied under this Contract shall be deemed to be assigned to SUPPLIER from the date of production start-up to the complete fulfilment of the order, without prejudice to GESTIND's right to avail itself of the clauses set forth in points 3 and 11 above and points 17 and 16 below, and subject to design changes by our End Customer.

15 – **TERMINATION OF THE SUPPLY CONTRACT FOR BREACH OF CONTRACT:** GESTIND shall be entitled to terminate the Supply Contract if SUPPLIER has breached any of the obligations undertaken hereunder, and GESTIND has notified SUPPLIER in writing of such breach and has given SUPPLIER an appropriate term to remedy the breach, and SUPPLIER has failed to remedy the breach within the term assigned.

16 – **RIGHT OF WITHDRAWAL BY GESTIND:** GESTIND shall have the right to withdraw from this Supply Contract with a simple written notice in the following circumstances:

- situations, facts or acts indicating that SUPPLIER is, or may be expected to be, no longer able to ensure the normal fulfilment of its obligations (including, but not limited to, non-payment or delayed payment to employees, social security institutions, tax authorities, suppliers or banks, protested bills, foreclosure of movable and/or immovable property, revocation of licences or authorisations, preparatory and/or initial proceedings of voluntary liquidation, requests for composition with creditors or out-of-court settlements, receivership, bankruptcy, etc.);
- performance of the Supply Contract is interrupted for more than 5 (five) work days due to an interruption, for any reason whatsoever, of SUPPLIER's normal activities.

17 – **RIGHT OF WITHDRAWAL BY SUPPLIER:** If during the term of this Supply Contract SUPPLIER is no longer in agreement with the content thereof due to force majeure events it shall have the right to terminate the Contract by giving written notice thereof to GESTIND.

In this case, SUPPLIER undertakes to guarantee supply continuity for a period of at least 6 (six) months to enable production needs to be met and production activities to be carried on at the GESTIND plants concerned.

18 – **SPARE PARTS:** by entering into this Supply Contract, SUPPLIER shall ensure to GESTIND the supply of the MATERIALS, including spare parts, in the quantities and at the times necessary to meet GESTIND parts warranty and after-sale requirements, in keeping with the best standards of end Customer satisfaction, for ten years after the use of the MATERIALS as standard equipment products was discontinued.



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GA-2016/0005 SST-0024/2020

The relevant supply prices shall be defined jointly on the basis of the last standard price paid for the MATERIALS, expected volumes and supply batches requested.

19 – DOCUMENTS INTEGRAL TO THE SUPPLY CONTRACT: In addition to all the annexes mentioned above, the drawings already in your hands, with the relevant technical specifications referred to therein, and the dimensional data for the construction of the dies and tools are an integral part of this Supply Contract.

20 – GENERAL CONDITIONS OF PURCHASE: GESTIND and SUPPLIER also agree that this Supply Contract shall be supplemented by the attached **General Conditions of Purchase**, prepared by GESTIND, where the latter do not conflict with the content of the individual clauses of the Supply Contract, which shall always prevail over individual General Conditions.

21 – EXECUTION OF THE SUPPLY CONTRACT: this Supply Contract is executed by the joint signature of this contractual document and the acceptance by SUPPLIER of the specific Open Orders issued by GESTIND.

22 – JURISDICTION: the Court of Turin shall have exclusive jurisdiction over any and all disputes as may arise in connection with this Supply Contract, including the interpretation and application of individual clauses.

Bruzolo, (date).....

READ AND SIGNED FOR ACCEPTANCE

for GESTIND

for SUPPLIER
Name
Position
Date



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Esteemed Supplier

Subject: Quality documentation for products with higher documentation requirements - Letter of Principle.

Dear Supplier,

with a view to enhancing the safety of technical products, protecting the environment and improving end user safety, several countries have enacted new laws by which, in the event of injuries or material damage, for its own protection, the manufacturer of the defective product or the product that has caused the damage, must be able to produce evidence that state-of-the-art measures (tests/controls) have been taken to ensure that the products are free from defects.

To this end, it is necessary to maintain proper "Product Quality Documentation".

Proper Product Quality Documentation is also necessary:

- to comply with applicable international standards;
- in the case of recall campaigns on the basis of statutory requirements, which means that maintaining the Documentation is in your own legal and economic interest.

The term 'Product Quality Documentation' refers to the planning and execution of quality management processes and the filing of the quality documents on which the product itself is based (e.g. drawings, specifications, control plans, control instructions and work instructions), quality records (e.g. process capability tests, quality control charts and measurement reports initialled by the executor), as well as the procedures followed, the ancillary materials and the corrective actions employed for product quality assurance purposes.

GESTIND S.p.A. specifications (drawings, quality agreements, legal standards, etc.) define the characteristics to be checked and documented by you, the Supplier, and to be regarded exclusively as minimum requirements that shall be extended as deemed necessary based on your experience.

This is so because you have specific experience with and knowledge of the production processes and the quality management of the products you manufacture and hence are required to indicate all the characteristics that may affect the safety and proper functioning of the products you make.

The laws also stipulate that the Supplier is responsible for the quality of the products used for its own purpose and for making available the necessary information regarding the utilisation of the products supplied, in terms of the ways the products are used and the effects entailed.



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Our Product Development Department and our Quality Manager are at your disposal for more detailed information on the use of the products you provide us with.

If you consider your products unsuitable for the functions envisaged, or suitable with restrictions, please inform us on a timely basis.

With this letter Gestind wishes to draw your attention to the fact that you remain liable for the manufacture of defective products provided under supply contracts entered into with us and/or under purchase orders assigned to you.

Audits performed by your employees or acceptance of Gestind specifications shall not exempt you from liability.

Accordingly, for the products you supply (which may consist of loose components, subassemblies, assemblies, or semi-finished products), proper Product Quality Documentation must be provided and maintained for a sufficient period of time.

After assessing the legal and factual situation, we have come to the conclusion that, for products with greater documentation requirements, quality documents and records must be retained in original or in other some permanent format, pursuant to Articles 13 and 14 of Council Directive No. 85/374/ EEC on Liability for Defective Products, implemented in Italy by Presidential Decree No. 224 of 24/05/1988 and subsequently repealed with Article 146, Legislative Decree No. 206/2005, all the relevant provisions having been included in **Part IV, Title II of the Consumer Code, in Article 114 et seq.**

Pursuant to the said Directive, your product documents must be retained for 15 years after the initial shipment.

This time period also takes into account the legal time to file a claim on the product by the parties (end customers, third party users, etc.) who have suffered the damage.

If you use subsuppliers for the production of the products you supply to us, you are required to notify GESTIND in writing to obtain our prior written approval, and to ensure that your subsuppliers also meet the requirements described in this letter.

Best regards

Gestind SpA

Bruzolo,

Supplier's stamp and signature _____

GESTIND S.p.A.

Registered Office, Plant and Management
10050 BRUZOLO (TO) – Strada Statale 25 Km. 41
Tel. 0039-011-963.72.75 (6 lines a.s.)
Fax 0039-011-963.73.08/963.77.53
Turin Trade Register no. 04448410011
Share Capital 2,184,000 euros fully paid up.
Sole Shareholder Company

**Parameters to be certified for the various product types supplied to Gestind S.p.A.**

PRODUCT TYPE	PARAMETERS TO BE CERTIFIED	FREQUENCY (in months)
PPE	Material compliance with Standard FMVSS302	every 12 months
	Density	all batches
	Weight	all batches
	Primary dimensions	all batches
UPHOLSTERY (LEATHER/FAUX LEATHER/FABRICS)	Colour conformity	all batches
	Adhesion of coupled materials	all batches
	Materials compliance with Standard FMVSS 302	every 12 months
	Elongation long./transv.	all batches
	Light fastness	every 12 months
	Tear resistance long./transv.	all batches
CHEMICAL MATERIALS (polyol/isocyanate/paints/ disinfectants/glue/grease)	Tear resistance long./transv.	all batches
	Colour conformity	all batches
	Materials compliance with Standard FMVSS 302	every 12 months
	Chemical properties (density, fluidity, NCO content)	all batches
PLASTIC	Colour conformity	all batches
	Material compliance with Standard FMVSS302	every 12 months
	VICAT softening index	all batches
	Production date presence and correspondence	all batches
STAMPED SHEET METAL	Chemical composition of raw material	all batches
	Technological characteristics	all batches
	Critical design features	all batches
MINUTES (screws, springs, plates, rings, felt pads, O-rings, etc.)	Chemical composition of raw material	all batches
	Technological characteristics	all batches
	Critical design features	all batches
STEEL TUBES, SHEETS & WIRES (RAW MATERIAL)	Chemical composition	all batches
	Technological characteristics	all batches
CHROME PLATING	Leak test	all batches
	Salt spray test	every 12 months
	Chrome plating thickness	all batches

Supplier's stamp and signature _____