

**TITOLO: CGA TERMS OF PURCHASE**



**CGA**

**PURCHASING CONDITIONS**

**-REV. 3-**

## TITOLO: CGA TERMS OF PURCHASE

### 1. Conditions

1.1 The following terms and conditions of purchase will apply to all orders and for the services provided. Any different conditions indicated by the supplier will not be binding even if not expressly rejected.

The delivery of goods or the supply of the service will amount to a recognition of the conditions although there have been previous objections and different from the vendor.

1.2 The following conditions of purchase will be applied even if not specifically included in the order. To this extent, the different conditions of the supplier will not be binding.

1.3 These general conditions of purchase are valid for products / goods / services provided or paid.

### 2. Offers

Vendor offers will be free and not binding, even if forwarded as a result of our request. The selection of the supplier will have to strictly adhere to the contents of the request for quotation (RFQ) and clearly point out any differences.

### 3. Purchase Orders

3.1 OMR ITALY SPA, hereinafter referred to as the Customer, emits two types of order:

a) Close Order, where quantity ordered, delivery date and price are established and fixed at the time of issuance of the order, as well as payment, packaging, place and means of surrender.

b) Open Order where the contracting parties are fixed price, payment, packaging, place of performance, any minimum lot size and / or multiple thereof, as delivery dates and quantities are regulated by the "program delivery".

3.2 An order, in both types listed above, not challenged on our purchasing department in whole or in part by fax or email within two days of receipt, it will be considered as accepted by us as well as the quantities and delivery dates on program delivery are not contested by the same means to our logistics.

3.3 Subject to the above conditions, a contract is considered valid and also accepted the general purchasing conditions with the delivery of goods ordered.

3.4 Within the limits of acceptability for the supplier, we may require changes to the goods in delivery. Accordingly, they must be properly agreed with mutual satisfaction, both increases or decreases in cost, is any slippage of the delivery.

### 4. Invoices and purchase conditions

4.1 Invoices must be sent by e-mail and any original by mail if required by applicable law, immediately after shipment of the goods and indicate the order number and DDT (transport document). Copies of invoices and partial amounts should be clearly identified as such. All invoices shall contain separate VAT.

4.2 Unless otherwise agreed, invoices will be paid as shown on the purchase.

4.3 Payments will be made by bank transfer.

4.4 If the delivery is not in compliance you will notify the supplier and the amount of the difference will be deducted automatically from the payments.

## TITOLO: CGA TERMS OF PURCHASE

### 5. Delivery, Shipping and Packaging

- 5.1 The goods will have to correspond to our purchase order regarding execution, quantity and specific packaging / shipping at the time established.
- 5.2 Each shipment must be accompanied by DDT duly completed in all its parts, return the data of the purchase order, the Customer code, the vendor code and CoC (certificate of conformity) of articles delivered.
- 5.3 Partial deliveries or balance must be marked as such.
- 5.4 The goods must be supplied ex works unless otherwise indicated on our purchase order.
- 5.5 The supplier shall include the cost of the package. If they are used crates, pallets or containers of our property, the supplier must take regular accounting

### 6. Timing of delivery

- 6.1 The terms and the delivery time agreed upon must be strictly observed.
- 6.2 The agreed schedule for delivery start from the dates specified in our purchase order closed or, in the presence of scheduled orders / open, from the dates contained in the "program delivery". Delivery dates and quantities specified, if not challenged as specified in 3.2 will always be considered acceptable to you.
- 6.3 Delivery will be deemed not respected as required by our PRQ04 (see Annex 1).
- 6.4 In the event that the supplier cannot meet the delivery times agreed or deemed accepted, must inform us immediately, in writing and with the media in 3.2, about the reasons and the expected duration of the delay. The communication of the supplier carried out according to the contract will not prevent in any case the same responsibility for the delay of delivery.
- 6.5 In the event of non-compliance with terms of delivery, even for one part of the order, except in proven cases of force majeure which the supplier must promptly report in writing, the Purchaser reserves the right at his will:
  - a) to demand the execution of the order, in whole or in part; the customer can apply to the supplier a penalty in the amount of 2 (two)% of the quantity is not delivered within the agreed period, for each week of delay, up to a maximum amount equal to '8% of the value of goods not delivered unless the right to compensation for damages.
  - b) To charge the supplier direct costs and indirect damages resulting from the stop line and the lack of production, as will be announced during the management of a possible non-compliance.
  - c) To immediately terminate the order, as of right, pursuant to the effects art.1456 of the Italian Civil Code with a simple notification to the supplier.
  - d) The provision at other source at any time and materials supply (and this even outside the cases provided for by art. 1456 CC) to total risk of the supplier, subject always, in any case, the right to full compensation of the damage.
- 6.6 Supplier is engaged, moreover, in the face of an adequate programming, to carry out deliveries "on time" of the products delivered by him.

### 7. Allocation of risk

The risk passes to the customer when the goods have been received in the place of delivery.

## TITOLO: CGA TERMS OF PURCHASE

### 8. Specific equipment and materials

#### 8.1 Properties of OMR ITALIA SPA

The specific equipment such as containers or means of collection (or specific), the semi-finished and / or other materials that the customer provides the supplier for the execution of the order remain the exclusive property of the Customer (hereinafter collectively defined "heritage property of the Client"). The designs of the Customer can not be copied by the Provider, or transmitted to other people, or used by him in any way.

In relation to the assets owned by the Client, the supplier is responsible for their loss, theft, destruction or damage and is required to:

- a) keep and use with care Heritage Properties of the Client;
- b) ensure the suitability of the goods property of the Customer, in the context of risk the organization's productive supplier, in terms of regulations on job security;
- c) not to transfer or physically handle the goods Properties Client if there is a in terms of the rules on safety at work;
- d) allow those in charge of the Customer to control, during normal working hours, methods of conservation and utilization as well as the status of use of goods property of the Client;
- e) not to give to third parties, for any reason and for whatever reason, the Consumer Client Properties and not be on the same guarantees of any kind.

#### 8.2 Insurance aspects

The supplier is obliged to ensure that, in the production plants in which products are the Contract Products and in particular those in which will be installed and / or stored and / or used goods Properties Purchaser will, at all times, respect the requirements risk prevention established by the laws and regulations.

### 9. Quality Product

- 9.1 The supplier will ensure the delivered goods according to regulations. It will be responsible for property expressly or tacitly assured. It will ensure that the goods comply with the safety regulations and workplace safety, as well as the generally recognized safety requirements and applicable standards (eg compliance with RoHs and REACH Regulation). Any substances in products supplied and listed in the Candidate List, must be communicated. Machinery, equipment, tools, services, and all materials in general to be provided, including the packaging, shall meet the requirements of the current law, without prejudice to our specifications specific or more restrictive clauses reported specifically on our orders.
- 9.2 If the goods did not comply, we will, at our option, to request a replacement delivery, repair or price reduction, in addition to what will be announced during the management of any non-compliance. If the supplier, following our request, fails to make the replacement or repair within the period specified, or fails to make full satisfaction, we are entitled to assert any of the other above mentioned rights. Where goods were repeatedly provided faulty, we shall be entitled, following a written notice, to terminate the contract; the same goes for supplies incomplete.
- 9.3 In urgent cases, we will have the right to eliminate defects at the expense of the supplier or, if that is not possible or appropriate, to obtain supplies elsewhere at the expense of the supplier.
- 9.4 The supplier shall be liable for hidden defects, and if these occur during production with us is if you highlight in the period of use of the finished product, within the warranty terms agreed with our customers. If there are hidden defects, we will have the right to claim compensation for the materials wrongly used, for transfers and wages paid, as well as services provided to and from our customers, as well as costs arising from claims incurred by our customers.

## TITOLO: CGA TERMS OF PURCHASE

- 9.5 We will not be obliged, by law, to immediately examine the goods received and to report the defect.
- 9.6 Any changes to the manufacturing processes of the supplier and / or compositions of the products supplied by it, will have to be notified in advance and with ample time for the implementation and approval by the client (see §17).
- 9.7 Vendor Rating will be performed as required by PRQ04 (see Annex 1).

### 10. The right to visit the supplier

The Purchaser has the right to at any time during working hours and with notice, with its staff or delegating third inspection at the supplier in order to verify the proper fulfillment of all obligations assumed by the supplier with the order in compliance with the standards of security and confidentiality rules applicable.

### 11. Industrial property rights

The supplier shall ensure that the goods delivered and therefore used will not violate national or international patents, trademarks, models used or other rights used by third parties. The supplier will avoid any direct obligation in the case of requests for third parties.

### 12. Major force

- 12.1 In the event that the execution of the order is prevented by the occurrence of proven force majeure circumstances, the terms of delivery are extended and the new term will be determined by mutual agreement between the Parties in connection with the impediment and on condition that the supplier has informed the customer promptly, by the means provided in section 3.2. the onset of the condition of force majeure and has taken all the measures to mitigate them. The circumstances of force majeure may not be invoked if it arises after the expiry of the agreed delivery time. It is clear, moreover, that will not be considered force majeure delays of subcontractors unless it is confirmed that they themselves have been caused by force majeure. If the circumstances of force majeure cause a delay in the delivery incompatible with the production needs of the Customer (suspension of production), the Customer shall have the right to terminate the contract in whole or in part, at any time, by written notice to the supplier and / or at least supply the Contract Product at third.
- 12.2 The responsibility of the Customer is excluded in case of strikes, fires or other circumstances beyond the control of the Customer to prevent receipt of deliveries or lead to a reduction of demand for the Contract Products ordered.

### 13. Recess

We will have the right to terminate a contract in whole or in part, if for reasons of modification of the model or design or other technical changes or other reasons not dependent on us, a customer to terminate the contract with the Client or limits the volume of his orders. We will not be liable to the supplier on the damage arising from the withdrawal.

## **TITOLO: CGA TERMS OF PURCHASE**

### **14. Responsibility**

- 14.1 Unless elsewhere in these general conditions of purchase is not contained a different regulatory responsibilities, the supplier, without prejudice to any other rights of law, it is obliged to pay compensation as indicated arising directly or indirectly from a defective delivery for a violation of security officers or other types of claims that can be attributed to the supplier.
- 14.2 In principle, the obligation to pay damages exists only if the supplier is liable for the damage caused by himself.
- 14.3 Where, by reason of their responsibilities not disappointed with third parties, we become improperly sued under a foreign law, the supplier would come to be involved in the lawsuit to exonerate the client from any wrongdoing, and refund the damages. For the definition of the dispute between the Purchaser and the supplier will apply the law of the Italian State and the jurisdiction will be in Monza. The above will be considered as valid if was directly summoned the supplier.
- 14.4 Damages by the supplier is in default with the same mandatory legal limits under which the customer is liable to its customers. In accordance with this possibility the customer will be responsible for reaching an agreement as beneficial to the supplier.
- 14.5 We cannot claim compensation for damages in case of our responsibility to the cause of committing the same offenses in the operational phase, and assisting in the installation instructions, inappropriate or improper use, defective or neglected in treatments for natural wear and tear or repair defective
- 14.6 The supplier is responsible for the implementation of our measures aimed at preventing damage.
- 14.7 In the event that the supplier was called into question, the same shall be promptly informed and consulted for his opportunity to examine the damage. The parties will agree on the necessary measures, particularly in the case of settlement negotiations.

### **15. Cedings**

The supplier may not transfer its rights under this contract to third parties without our written approval, or subcontract the processing, even in part.

### **16. Partial ineffectiveness**

If one or more provisions of these terms and conditions of purchase or other contractual agreements were to become unreliable or unenforceable, the validity of the remaining provisions will be unaffected. The contractors will be obliged to replace the ineffective or unenforceable provisions with valid provisions that have realized an economic effect that is as close as possible to the foregoing provisions.

### **17. Product-Process Change Notification (PCN) / Notice of termination Product (PTN)**

#### **17.1 Product-Process Change Notification (PCN)**

Before introducing changes to the product / supply process, the supplier must agree with the Customer the timing and approval of the proposed changes. Any changes to the production processes of the supplier and / or compositions of the products supplied by it, must be communicated in advance and with ample time for the implementation and approval by the client. The supplier is not authorized to make modifications on the production process and / or the product without preventive approval of the Customer.

The Supplier has to comply with VDA Trigger Matrix requirements (see annex2).

## TITOLO: CGA TERMS OF PURCHASE

### 17.2 Notice of termination Product (PTN)

Before production cessation of a given product, the supplier must agree with the Customer the timing of the termination in object.

### 18. Form

Changes and additions to these terms and conditions of purchase or other contractual conditions must be made in writing to be considered valid. The writing is also needed for exemptions.

### 19. Place of performance and jurisdiction

Place of performance and jurisdiction for all obligations of both parties will be Monza. We reserve the right to sue the supplier in other jurisdictions.

### 20. Applicable law

The legal relationship between the contracting parties will be subject to the laws of the Republic Italian and international laws that may apply

### 21. Record of revisions

3)Introduction of VDA trigger matrix (Annex 2) and modification of §17.

## TITOLO: CGA TERMS OF PURCHASE

### ANNEX 1 - Excerpt from PRQ04

#### Scores of evaluation and approval rules / exclusion (Vendor Rating)

The Vendor rating of the supplier follows the algorithm:

1. the starting score is 100 and applies to each calendar year beginning (entry class);
2. the supplier is qualified with score from 80 to 100 ("QA");
3. supplier is monitored if it gets a score between 50-79 ("QB");
  - a. at this stage it prompted an improvement plan and monitored by a quarter.
  - b. in the absence of new non-compliance, it should score "QA" (also based on a collective decision between Plant and Procurement Departments, Commercial, Technical / Industrial, and Administration and Finance;
  - c. if in the quarter shows again noncompliance supplier passes definitely was not qualified "NQ";
4. the supplier is completely eliminated if it gets a score below 49 points ("NQ");
  - a. The supplier is reinserted in the list of strategic suppliers after upgrading a total requalification;
  - b. The supplier remains in the list but no longer appears in the following year;
5. The supplier score is calculated as follows:
  - a. NC important score reduced by 4 points
  - b. NC critical: score reduced by 51 points, class "NQ"
  - c. observations do not come into evaluation
  - d. Delivery delay greater than or equal to 8 days: score reduced by 2 points
  - e. Delivery delay for which it is estimated a potential line stop: score reduced by 21 points, class "QB"

at the beginning of each year the evaluation again from "QA" (100) in the absence of activity of upgrading or quarterly monitoring. Part of "QB" (79) if there is an ongoing upgrading for noncompliance the last quarter.

#### Input data

The scores awarded to the supplier are derived from:

1. Non-compliance found on the quality of the product / service provided:
  - The business function that highlights non-compliance, shall use the form 17:00:03 "Report of non-compliance to supplier" then sending it to the supplier for information and Purchasing Department and Quality Assurance. Emitting function will manage all contacts with the supplier to resolve the claim asking for the most important cases the 8D Report. Finally, in collaboration with the Quality Assurance, it will run the technical closure / qualitative claim.
2. Non-compliance arising from any breach of the terms of delivery:
  - The evaluation of the delivery delays (difference in days between the agreed during the order confirmation and the date of actual delivery resulting from the listing "statistical delay deliveries supplier AS-400") is performed monthly and calculated as described in the vendor rating previous point. In the case where it is estimated that the delay may cause a potential production line stop, it is output with the NC request the supplier of an improvement plan. The supplier will also be monitored for the following quarter.

On early base the customer will send the Vendor rating performances to the Supplier.



## TITOLO: CGA TERMS OF PURCHASE

### ANNEX 2 - VDA Trigger Matrix

1) Is it a change?						<b>If customer-specific requirements exist, the agreement is obligatory !</b>	Row													
2) Does it affect customer's significant characteristics?																				
3) Is the technical interface to the customer affected?																				
4) Type of change?																				
5) Does it affect contract documents (e.g., specifications, customer's drawing, data-sets,....) ? *																				
6) Are fitment, form, function, performance, reliability affected?																				
y	n	n	n	n	n	Change to significant characteristics agreed with the customer for the product, sub-assy., component (electrical/mechanical), process, ...)?	Z	1												
						e.g., fixing to the vehicle, electronic parts and/or connections...	Z	2												
						Electronic components (see ZVEI "Product/Process Change Notifications - Guideline for Automotive Electronic Components")														
						Design Mc **	y	n	n	n	n	e.g., change to design, tooling, .....	Z	3						
												e.g., change to product software (parameters, architecture)	Z	4						
												e.g., change to sealing material, change to EMC capacitor, ....	Z	5						
												e.g., change to a dimension not included in the customer's drawing	Z	6						
												Change to materials	Z	7						
												Change to internal specification or tolerances outside customer's specification	Z	8						
												Change to internal specification or tolerances but still within customer's specification	-	9						
												Change to identification of parts/materials but with unchanged composition	-	10						
												Change in early man'f'ing stages (e.g., pre-drilled dimension for a shaft, wafer location,...)	-	11						
												Process Mc	n	n	n	n	n	e.g., change in process chain (inc. supplier, duplicated production lines, ...)	Z	12
						e.g., change in checks, checking sequence or other reasons,.....	Z	13												
						e.g., change in hardening parameters, injection temperature, ...	Z	14												
						e.g., change in process chain (inc. supplier, duplicated production lines, ...)	Z	15												
						Prod'n - assembly	n	n	n	n	n							Change in no. of cavities in tool, progression tools, incremental tools	I	16
																		Duplication of production and checking equipment within an existing line	I	17
																		New type of machine obtained and installed	I	18
																		Change to an existing tool, new equipment, new Poka Yoke	-	19
																		Change to process, inc. early manufacturing stages (e.g., as No. 11)	-	20
																		Change to setting parameters, production facilities, injection temperature, ....	-	21
						Testing	n	n	n	n	n							Changes in checks, worsened RPN	np	
																		Change to checking method, RPN unchanged/improved, same process	I	23
																		Extended checks with no change to method (e.g., larger sample size)	-	24
																		Reduction/elimination of check not relevant to the customer (e.g., random sample check)	-	25
						Transfer of production	n	n	n	n	n							Tools moved from one line to another; lines are the same	-	26
																		Movement of equipment in a production plant with no change to the process chain	-	27
																		Location change: equipment, parallel prod'n (not early mfg stages as No. 11)	Z	28
						Logistics	n	n	n	n	n							Supplier change, new 2nd supplier, supplier has changed sub-supplier	Z	29
												New carrier or ESP, SLC	I	30						
												Customer packing, shipping, invoicing	Z	31						
												Internal packing (e.g., plant to plant, within the plant,...) and suppliers	-	32						
						Doc Mc	n	n	n	n	n	Documents adjusted to status of approved/released product	Z	33						
												Documents adjusted to status of approved/released product or to correct formal defects	-	34						
												Change to documents not product-related (e.g., work instructions, .....	-	35						
						n	n	n	n	n	n	Re-use of tools following 12 or months out of use	Z	36						
												Maintenance/overhaul of existing tools/ tools subject to rapid wear (e.g., turning tool, honing tools)	-	37						
Change of compiler version; software tool change affecting customer software (debugger change not relevant here)	-	38																		

**y** Yes  
**n** No  
**np** not permitted  
**-** Customer involvement not essential (Note: PPA documents must be archived in-house)  
**I** Customer must be informed - as ISO/TS16949, para. 4.2.3.1 the customer must have 2 weeks to issue findings.  
**Z** Customer agreement required, execution of PPA procedure  
**Mc** Modification  
**ESP** External service provider  
**SLC** Supplier logistics centre (also applies to warehouse)  
**RPN** Risk priority number from Process FMEA  
 \* or other authorized production documents provided to the customer (e.g., quotation drawing, control plan)