



**SOFIMA FILTERS S.A.**  
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**DOCUMENT / DOCUMENT**      **DATE / DATE**      **NUMERO / NUMBER**      **PAGE / PAGE**      **FOURNISSEUR / MESSRS**  
Commande fournisseur non stock      30/05/2024      24002053      1 / 1      SBH STE BATIMENT BEN HASSEN  
MAISSRA ELMIDA  
8045 TUNISIE

**CODE FOURNISSEUR / SUPPLIER CODE**      **CODE TAXE / TAX ID**  
5074262      1552751LAM000

**FRET / RENDERED**  
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**TRANSPORTEUR / FORWARDER**

**LIVRE A / DELIVERY TO**  
LOT 13 Z. Industrielle BIR EL KASAA 2074 ELMOUROUJ Tunisia

**MODALITE DE PAIEMENT / PAYMENT TERMS**  
30 Days End of Month - CHEQUE

**COMPTE BANCAIRE / BANK ACCOUNT**

POS / POS.	CODE ARTICLE / PART NUMBER	DESIGNATION / DESCRIPTION	CODE 2 / YOUR NUMBER	U.M / UM	QUANTITE / QUANTITY	ARRIVEE A L'USINE / ARRIVAL PLANT	PRIX UNITAIRE / PRICE PER UNIT	%REMISE / % DISC.
1.00	SFTFA0030	Compressor 1 room layout Installation of two IP compressor rooms Construction work	Compressor 1 room layout 24000036	PC	18,321.30	06/06/2024	1.0000	
2.00	SFTFA0030	Compressor 2 room layout	Compressor 2 room layout	PC	32,724.00	06/06/2024	1.0000	
3.00	SFTNS0013	MACONNERIE EN BRIQUE TRAVAUX DE MACONNERIE ET D'OUVERTURE DES PORTES DE SECOURS	EP 20CM	PC	1.00	05/06/2024	1,680.0000	
4.00	SFTNS0013	TRAVAUX D OUVERTURE PORTE OUVERTURE PORTE		PC	1.00	05/06/2024	350.0000	
5.00	SFTNS0013	TRAVAUX BUCHAGE PORTE AVEC ENDUIT		PC	1.00	05/06/2024	480.0000	
6.00	SFTNS0013	DEPOSE ET POSE PORTE ALUM PORTE EN ALUM		PC	1.00	05/06/2024	280.0000	

UFI/SOFIMA FILTERS      BUYER

SIGNATURE

VAT%:

VALEUR TOTALE PAR TVA / TOTAL AMOUNT NO VAT <b>TND</b> <b>53,835.30</b>
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<< The Supplier is required to assure compliance with the requirements stated in UFI Supplier Quality Assurance Requirements (ref. GI-0008), unless otherwise specified by UFI.>>

## TERMS AND CONDITIONS OF PURCHASE

### 1. THE PURCHASE OF PRODUCTS, ACCEPTANCE OF PURCHASE ORDERS

- 1.1 These terms and conditions of purchase (the "Terms and Conditions") apply to and form an integral part of:
- (i) all purchase orders (hereinafter referred to as "Purchase Orders") of UFI Filters S.p.A. or its Affiliates (hereinafter referred to individually or together as "UFI") to your company (hereinafter referred to as "Supplier");
  - (ii) any agreement resulting from such Purchase Order, or incorporating these Terms and Conditions by reference (hereinafter referred to as an "Agreement"); regarding the purchase by UFI, and sale by Supplier, of services or goods as better defined in the Purchase Orders and/or Agreements ("Products"), unless explicitly agreed otherwise in writing between UFI and Supplier; UFI and Supplier are also hereinafter referred to as individually a "Party" and together the "Parties". The term "Affiliate" shall mean any entity or other person which, directly or indirectly, controls, is controlled by or is under common control with UFI Filters S.p.A.
- 1.2 These Terms and Conditions shall constitute all of the terms and conditions of any Purchase Order and Agreement between UFI and Supplier relating to the purchase by UFI, and sale by Supplier, of Products. Any terms or conditions set forth in any document issued by Supplier either before or after issuance of any document by UFI setting forth or referring to these Terms and Conditions are hereby explicitly rejected and disregarded by UFI, and any such document shall be inapplicable to any purchase made by UFI and shall not be binding in any way on UFI, unless explicitly agreed in writing by UFI. No written document shall be binding on UFI unless duly executed by its authorized officer(s). Supplier shall have the right to request evidence of such authorization at any time.
- 1.3 Any Purchase Order is expressly made conditional on Supplier's assent to all of the terms contained in the Purchase Order (including these Terms and Conditions) without any deviation. Acceptance by Supplier of a Purchase Order may be evidenced by (i) Supplier's written assent, or (ii) other conduct by Supplier consistent with the acceptance of the Purchase Order; it being specified that however a Purchase Order shall be deemed accepted by Supplier upon its receipt if within 7 days after receipt Supplier fails to issue a written rejection. Supplier shall have the right to reject a Purchase Order only on reasonable grounds; it is hereby agreed and understood by the Parties hereto that reduction of manufacturing and/or procuring capacity of Supplier shall not be deemed a reasonable ground.
- 1.4 In accepting the Purchase Order, Supplier agrees to provide the Products in accordance with the Specifications and the quality requirements and standards as agreed upon by UFI and Supplier. "Specification(s)" means any technical information including but not limited to designs, drawings, technical and/or functional specifications and requirements, packaging and labelling instructions, logistic requirements, tables, samples, prototypes, measurement tools, data, videos, pictures provided by and/or on behalf of UFI to Supplier either in writing or other tangible form or orally or acquired in any way (and whether directly or indirectly) by Supplier in connection with the performance of the Purchase Order and/or the Agreement; for the sake of clarity the Specifications may be also expressly attached to the Agreement and/or the Purchase Order.

### 2. PRICES AND QUANTITIES

- 2.1 Prices of the Products shall be agreed mutually by the Parties in writing. Unless specifically agreed between the Parties, prices shall include all fees, costs and charges including, without limitation, all applicable taxes, duties and charges for packing, storing, loading, customs, insurance, transportation and unloading. Prices provided in Purchase Orders or Agreements shall reflect such agreed prices and shall be binding. The prices for Products shall be changed by mutual agreement between the Parties hereto to reflect the reduction of the manufacturing and/or procuring costs. Prices, terms and conditions offered by Supplier to UFI shall not be any less favourable than the prices, terms or conditions offered by Supplier to any other entity for similar goods and services. If Supplier offers similar goods or services at lower prices or on better terms than Supplier offers to UFI, then Supplier shall promptly provide similar prices or terms to UFI.
- 2.2 Supplier shall sell the Products in the quantities specified by UFI in the Purchase Order or Agreement.

### 3. DELIVERY, LATE DELIVERY, PENALTIES

- 3.1 Unless otherwise instructed by UFI, all Products supplied to UFI by Supplier hereunder shall be packaged and labelled in accordance with the packaging and labelling specifications agreed to between UFI and Supplier. The Products shall be packaged and transported taking all measures required to protect them against damage. Risks and rewards in the Products shall pass to UFI in accordance with the applicable Incoterms specified in the Purchase Order or Agreement. Supplier agrees to ship Products in strict accordance with any special shipping instructions, if any, which may be furnished in writing by UFI to Supplier prior to relevant shipment. Based on agreed lead time, Supplier shall deliver the Products in accordance with the delivery dates specified in the Purchase Order or Agreement (hereinafter the "Delivery Date(s)") to the delivery place specified in the same Purchase Order or Agreement (hereinafter the "Delivery Place"). Early delivery of a Product can be refused by UFI. However, if UFI accepts an early delivery, Supplier shall bear the cost of storage up to the original Delivery Date.
- 3.2 In the event that Supplier becomes aware of any likely delay or inability in supply of the ordered quantity of Products, Supplier shall promptly notify UFI thereof in the fastest way, shall take steps to prevent a recurrence and shall follow UFI's instructions on how to address the problem. In case of late delivery (or inability in supply), UFI may select at its own discretion any of the following remedies:
- (i) agree to revised delivery dates;
  - (ii) cancel the order for the Products not yet delivered at no cost to UFI;
  - (iii) request from Supplier to ship the Products using priority freight at Supplier's expense; or
  - (iv) exercise any other remedies to which UFI is entitled by law, in equity or otherwise; such remedied may also include appropriate countermeasures to be taken by Supplier to minimize the losses and damages resulting therefrom, in such case Supplier shall immediately carry out the countermeasures.

Without prejudice to any other rights or remedies available to UFI (including but not limited to the right of being indemnified of any and all damages or losses suffered and exceeding the amount paid as penalties, including the losses and damages incurred due to assembly-line stoppage or slow-down in UFI's plants), where Supplier fails to deliver the Products in accordance with the Delivery Dates (or those indicated by UFI pursuant to Sub-section 4.1), save in the event of Force Majeure or UFI default, Supplier shall pay to UFI (i) per each day of delay up to the 6<sup>th</sup> day, a penalty equal to 0.25% of the price of the Purchase Order containing the Products in delay, and (ii) per each day of delay from the 7<sup>th</sup> day thereafter a penalty equal to 0,5% of the price of the Purchase Order containing the Products in delay. UFI may withhold payment for a Purchase Order until all Products under such Purchase Order have been delivered in accordance with these Terms and Conditions and offset the price of Products with such penalties. Should the delay exceed 30 days, UFI shall be entitled to terminate, in whole or in part, the affected Purchase Order without incurring any liability and without prejudice to the payment of the accrued penalties and/or to any other rights or remedies available to UFI.

### 4. RESCHEDULING AND CANCELLATION

A confirmed Purchase Order can be rescheduled or cancelled by UFI as follows:

- 4.1 at any time prior to shipment of Products and upon written notice to Supplier, UFI may re-schedule the Delivery Dates without additional costs or liabilities provided that such postponement shall not exceed 6 months from the original Delivery Dates;
- 4.2 at any time prior to shipment of Products and upon written notice to Supplier, UFI may cancel for its convenience a Purchase Order, or any portion thereof, except for Products the Delivery Date of which is not later than 40 days from the notification of cancellation; in case such cancellation is notified: (i) more than 60 days prior to the scheduled Delivery Date, UFI shall not be responsible for any cost incurred by Supplier; (ii) between 60 and 40 days prior to the scheduled Delivery Date, UFI shall be responsible for the unrecoverable, documented and reasonable costs incurred by Supplier for procuring the materials strictly necessary for manufacturing the Products ordered and cancelled.

### 5. INSPECTION ON PRODUCTS

- 5.1 Supplier guarantees that the Products to be delivered shall conform to the agreed Specifications, quality requirements and warranties and correspond to the quantities specified in the relevant Purchase Order or Agreement.
- 5.2 UFI reserves the right to reject any portion of a shipment of Products that are defective or do not meet the Specifications, the quality requirements and/or quantities specified in the Purchase Order and/or Agreement. UFI shall notify Supplier whenever the Products are defective or do not meet the Specifications, quality requirements and/or quantities specified in the Purchase Order and/or Agreement; in such event Supplier shall, upon UFI's selection: (i) supply UFI with a replacement at Supplier's costs and expenses (including fast delivery) or (ii) issue a credit memo for such non-conforming Products equivalent to 100% of their price. In any case if within a period specified by UFI, Supplier has not withdrawn the defective Products, UFI may dispose of such Products by selling off, or disuse, etc.
- 5.3 If requested by UFI, Supplier shall investigate on the non-conforming Products and report in writing the measures to be taken to prevent recurrence and make its best

efforts to reduce the non-conformity. The cost of conducting inspections to determine the cause of the defect will be at Supplier's own cost.

- 5.4 The acceptance and/or the failure by UFI to reject any Products shall be without prejudice to any further rights and remedies of UFI under the Purchase Order, Agreement and/or at law.

## 6. PAYMENT

- 6.1 Payment terms and any discounts for early payment shall be as set forth in the respective Purchase Order. If not differently agreed in the Purchase Orders, Supplier shall issue invoice (which shall include origin declaration as set forth under Sub-section 7.4) within a reasonable time after delivery of Products to the Delivery Place;
- 6.2 All applicable taxes on the above payments shall be borne exclusively by Supplier. Without prejudice to the above, the payments are plus VAT (if applicable) and shall be subject to withholding tax as required to be deducted under the applicable law. UFI will withhold taxes on payments made to Supplier as required by applicable laws. UFI will remit to Supplier the net proceeds thereof.
- 6.3 Payment for the Products delivered by Supplier to UFI shall not constitute UFI's acceptance of such Products.
- 6.4 In case of any default by Supplier, including defective or late services, late delivery or delivery of defective products, UFI shall have the right to withhold payments due to Supplier, without any interest, until Supplier remedies the default or provides appropriate assurance of its ability to comply with the provisions of the Purchase Order or Agreement.

## 7. QUALITY REQUIREMENTS, INSPECTIONS, IMPORT EXPORT OF PRODUCTS

- 7.1 Supplier undertakes to implement and maintain production and control processes and equipment suitable for ensuring that the Products to be supplied are always reliable, of appropriate quality and conforming to the Specifications in force and to those other requirements specifically indicated by UFI. Supplier shall organize and operate a quality management system, covering all processes such as planning, designing, manufacturing and sales of the Products so that the quality of the Products shall conform to the quality requirements provided under this Sub-section 7.1. Specifically, Supplier undertakes to adopt, implement and maintain a quality system certified in accordance with ISO 9001 and ISO 14001 and to develop its own QMS (Quality Management System) based on the guidelines of the specific technical norms ISO/TS 16949 (if applicable). Furthermore, if requested at initial sampling of Products, Supplier undertakes to certify the quality of Products and of the relevant manufacturing process, through the filing of a PPAP documentation as described in PPAP AIAG latest applicable edition. No changes can be made by Supplier to the Products and the relevant manufacturing process, except upon written authorisation from UFI (in accordance with the PPAP AIAG). In the event that Supplier changes any major manufacturing process, the Supplier shall present new prototypes to UFI and commence the new manufacturing process only after obtaining approval of UFI.
- 7.2 For quality assurance matters to be conducted together or individually by UFI and/or Supplier, the same Parties may enter into a separate Quality Assurance Agreement (which may be also an appendix to the Agreement, if any) and carry out the activities for quality assurance provided in Sub-section 7.1 here above. UFI may perform quality audit and assessment according to the requirements and provisions set forth in such Quality Assurance Agreement.
- 7.3 Furthermore, UFI, upon reasonable prior notice, shall be entitled to conduct inspections on Supplier's premises for checking the quality system implemented in Supplier's organization as well as for checking the working and/or testing methods that have been adopted at the production facilities of Supplier. The methods and extent of the inspection shall be agreed upon with Supplier.
- 7.4 For the fulfillments required for import-export, Supplier shall always declare in the invoices, the country of origin of Products supplied and, if expressly required by UFI, Supplier shall supply a long-term declaration stating this country of origin. If the delivery of Products is subject to the granting of an export or import license by a government and/or any governmental authority under any applicable law or regulation, or otherwise restricted or prohibited due to export or import control laws or regulations, UFI may suspend its obligations hereunder and Supplier's rights regarding such delivery until such license is granted or for the duration of such restriction and/or prohibition, respectively, and UFI may even terminate any contractual relationship, without incurring any liability towards Supplier.

## 8. SUPPLIER WARRANTIES AND REPRESENTATIONS

- 8.1 Supplier represents and warrants that (i) it owns all rights necessary to enter into any Purchase Order and/or Agreement, (ii) it has all technical, financial and organizational capabilities to fulfill its obligations under any Purchase Order and/or Agreement, (iii) it will comply with any law or regulation applicable for the fulfilment of its obligations under any Purchase Order or Agreement (including any law on "liability for defective products"), (iv) it is responsible for obtaining and maintaining all relevant permits, licenses, authorizations and certifications as required, (v) no claim, lien, or action exists or is threatened against Supplier that may affect UFI's rights under the Purchase Order and/or Agreement or the ownership, use or sale of the Products by UFI or UFI's customers.
- 8.2 Supplier represents and warrants that the Products delivered and all works performed under any Purchase Order and/or Agreement shall (i) comply with all applicable standards, rules and regulations under any applicable law in any jurisdiction in which the Products (standalone or jointly with other products) are intended to be sold, including in relation to the environment, health, safety, packing, packaging, labelling, and employment; (ii) conform to the Specifications, quality requirements and other requirements conveyed or agreed by UFI, (iii) be fit and sufficient for the purposes for which the Products are intended; (iv) be new, marketable, of good quality, free from defects or non-conformities in materials, design, workmanship and performance, and (v) remain free from defects until 30 months after the date of delivery of the Product (standalone or as part of other products) to UFI's customers (the "Warranty Period"). Supplier undertakes to pursue a "zero-defects" strategy. UFI and Supplier will agree the times and the intermediate target ranges needed for attaining the "zero-defects" objective. Supplier undertakes to promptly inform UFI in the event of any negative deviation from the agreed target ranges and will promptly inform UFI regarding the specific corrective actions it will implement to remedy the negative deviations.
- 8.3 If UFI becomes aware of a breach of the above mentioned warranties on Products, UFI shall be entitled to request at its sole discretion the following remedies: (i) reimbursement for all costs and losses as incurred by UFI due to non-conformity of Products with the quality assurance and warranties provided herein or (ii) prompt replacement of Products. In case of reimbursement, UFI shall provide Supplier with all available information about the number of claims, the contents of such claims and the estimated amount for reimbursement, then Supplier shall pay the amount of reimbursement requested by UFI. In case of replacement of Products all relevant costs (including, but not limited to fast delivery of the replacement) shall be borne by Supplier. The replaced Products shall be warranted for a new Warranty Period. The foregoing remedies are in addition to, and not in lieu of, all other remedies available to UFI.
- 8.4 In addition to the above, Supplier warrants that the Products will be free from defects in materials or workmanship that impair the function, operation or safety of Products. Supplier, upon UFI's request, shall immediately investigate the causes of any defect and shall report to UFI the results of such investigation (the "Risk Analysis"). Based on such Risk Analysis and depending on the moment when the defect has been identified, UFI and Supplier shall discuss on the necessary corrective measures: (i) if the defect occurs at UFI's customer site at "0 km", that is prior to the placing on the market of the Products (standalone or as part of other products), the corrective measures may include any countermeasure to prevent such occurrences and to cure the Products on UFI's customer site; (ii) if the defect occurs when the Products are placed on the market (standalone or as part of other products) the corrective measures may include any countermeasure to prevent such occurrences and to cure the Products on field; however UFI shall reserve the right to take the final decision on whether a recall procedure shall be implemented. In the event that said corrective measures (including the recall procedure), Supplier shall bear all the relevant costs and expenses and shall further indemnify UFI for all losses and damages incurred by UFI, including without limitation all costs and damages in relation to recall of any goods or products, in which the Products are used, from the market (whether defective or not) in relation to the defect.
- 8.5 UFI acknowledges and agrees that in the event of purchase of Prototypes the provisions under Sub-sections 8.2, 8.3 and 8.4 shall not apply. For the purpose of these Terms and Conditions "Prototype" means a Product that is provided by Supplier for evaluation and testing purposes only and that it will not be used or distributed on the market; Prototypes shall be expressly marked and/or identified as such at the date of their order, otherwise they shall be treated as normal Products.

## 9. INTELLECTUAL PROPERTY RIGHTS INDEMNIFICATION

- 9.1 In the event that Supplier is the owner or has in any way the right to enforce any patents, utility models, design rights, registered designs, copyright, trade secret, know-how or other proprietary rights ("Intellectual Property Rights") which, in absence of a license, would be infringed by the purchase, possession, commercialization or use by UFI of the Products, Supplier grants to UFI a non-exclusive, perpetual, irrevocable, with right to sublicense, transferable, worldwide, free of charge, license to such Intellectual Property Rights to the extent necessary to allow UFI to use the Products either as standalone or as parts of other products.
- 9.2 In any case, Supplier represents and warrants that the Products, their manufacturing process, purchase, possession, commercialization or use, either as standalone or as parts of other products manufactured by or on behalf of UFI, do not infringe any Intellectual Property Right owned or controlled by any third party. If any claim, suit, action or proceeding is brought against UFI, its Affiliates and its respective officers, directors, employees, agents, successors, and assigns, or any UFI's customers and end-users purchasing or using the Product (collectively "UFI Indemnitees") alleging that the manufacture, purchase, possession, use or sale of the Products (either as standalone or as parts of other products manufactured by or on behalf of UFI) infringes the Intellectual Property Rights of any third party, Supplier shall defend, or at its option, settle the dispute and in either case indemnify and hold UFI Indemnitees harmless from any liability, loss, damage and expenses (including reasonable legal fees), both direct and indirect of whatever nature, regardless of the legal theory, arising from or in connection with any third party claim, action, suit, proceeding, or settlement thereof, incurred by any of them as a result of such claim, suit, action or proceeding. In addition to all other rights and remedies available to UFI Indemnitees under these Terms and Conditions, at law, in equity or otherwise, Supplier agrees that if a Product becomes, or in UFI's reasonable opinion is likely to become, the subject of a claim of infringement of the Intellectual Property

Rights of any third party, or should use of the Products be enjoined, Supplier shall, in addition to its obligations under the immediately preceding paragraph of this Sub-section 9.2, at its expense, and in descending order of precedence: (a) procure for UFI Indemnitees the right to continue using the Products; or (b) modify the Products to make them non-infringing (maintaining equivalent or better functionality, features, performance, and conformance to the Specifications and the other requirements agreed by UFI). If neither of the foregoing are commercially reasonable alternatives, as determined in UFI reasonable judgment, Supplier may replace the Products with goods or services that have equivalent or better functionality, features, performance, and conformance with the Specifications and the other requirements agreed by UFI.

## 10. OTHER INDEMNIFICATIONS

In addition to all other rights and remedies available to UFI, Supplier undertakes to indemnify, defend, and hold harmless UFI Indemnitees from and against any and all damages, losses, claims, liabilities and costs (including reasonable legal fees), both direct and indirect of whatever nature, in connection with or based on any of the following: (i) any claim, demand, action, cause of action or other proceeding asserted against UFI, but resulting from an act or omission of Supplier; (ii) Supplier's breach of any representation, warranty, covenant, obligation or responsibility set forth in these Terms and Conditions as well as in the Purchase Order and/or Agreement; (iii) personal injury, real property or tangible personal property damages, to the extent such damages are caused by the negligent act or omission of Supplier or any of its officers, directors, employees or subcontractors.

## 11. CONFIDENTIAL INFORMATION, UFI INTELLECTUAL PROPRIETARY RIGHTS AND TRADEMARKS

11.1 Supplier acknowledges that all data, including Specifications and all other technical, commercial and financial data, disclosed to Supplier by UFI, either in writing or other tangible form or orally, are the confidential information of UFI (hereinafter "Confidential Information"). Supplier shall not disclose any UFI's Confidential Information to any third party and shall not use any such Confidential Information for any purpose other than as agreed to by UFI. Upon request from UFI, Supplier shall promptly deliver to UFI all UFI's Confidential Information supplied herein. Supplier's obligations under this Section 12.1 shall be effective until said information becomes public information, other than as result of a disclosure by the Client.

11.2 All Intellectual Property Rights related to the Confidential Information provided by UFI to Supplier shall be retained by UFI; neither these Terms and Conditions, nor the disclosure of UFI's Confidential Information hereunder, shall be construed to grant to Supplier a license or any other right related to such Intellectual Property Rights, expressly or by implication or otherwise. Furthermore, nothing contained in these Terms and Conditions shall be construed as conferring – either expressly or by implication or otherwise – to Supplier any right to use any trademark, name or symbol of UFI. Therefore Supplier shall not, without UFI's prior written approval, use UFI's name and/or trademarks in Supplier's informational, promotional and advertising material and/or in any other material.

## 12. BREACH AND TERMINATION

12.1 In the event that Supplier commits a material default in the performance of any of its duties, obligations, representations or warranties under a Purchase Order and/or Agreement, and – after a written notice is given to Supplier – this default is not cured within a reasonable period of time as specified in such notice (which in no case shall be lower than 30 days), then UFI may terminate the relevant Purchase Order and/or Agreement affected by such default.

12.2 In addition to the provisions of Sub-section 12.1 here above and without prejudice to all other rights and remedies available to UFI at law or otherwise, UFI may, by written notice to Supplier, terminate with immediate effect any Purchase Order or Agreement, or any part thereof, without any liability whatsoever, if:

- (i) a voluntary or involuntary petition in bankruptcy or winding up is filed against Supplier, any proceedings in insolvency or bankruptcy (including reorganization) are instituted against Supplier, a trustee or receiver is appointed over Supplier, or any assignment is made for the benefit of creditors of Supplier;
- (ii) Supplier breaches its obligations regarding Intellectual Property Rights and Confidentiality and as set forth in Sections 9 and 11;
- (iii) Supplier is subject to a change of control or is associated with or subjected to any form of control, including indirect control and/or management control, by a competitor of UFI; or
- (iv) Supplier violates any of the provisions of UFI Group Code of Ethics.

12.3 Termination of the contractual relationship shall apply only in relation to supplies which have not yet been executed as of the date of termination. Any such termination shall not affect any payments, the rights to which shall have become due under these Terms and Conditions, the Purchase Order or the Agreement prior to such termination.

12.4 Any provisions of these Terms and Conditions, the Purchase Order or the Agreement, which by their nature are to survive expiration or termination in order to carry out their intended purpose, shall survive the termination or expiration of the Purchase Order or Agreement and continue in full force and effect.

## 13. FORCE MAJEURE

Either Supplier or UFI shall not be liable for any failure or delay in performance if such failure is caused by Force Majeure as defined below. In case of such a non-attributable failure, the performance of either Party will be suspended for the period such non-attributable failure continues, without one Party being liable to the other Party nor to any third party for any damage resulting therefrom. As soon as reasonably possible after the commencement of the Force Majeure, either Party shall notify the other Party in writing of the occurrence of the Force Majeure event, the date of commencement of the Force Majeure event, the effects of the Force Majeure event on its ability to perform its obligations, and the efforts being made or proposed by that Party to remove or avoid such Force Majeure event. In the event that the Force Majeure extends for a period of 60 consecutive days (or in the event that the delay is reasonably expected by UFI to extend for a period of 60 consecutive days), UFI and Supplier shall be entitled to unilaterally cancel all or any part of the on-going Purchase Orders without any liability. Notwithstanding the foregoing, if as a result of a Force Majeure event deliveries from Supplier are delayed or cancelled, UFI shall have the right to obtain products from sources other than Supplier until such time as Supplier is again able to commenced delivery of Products hereunder at Supplier's cost. The expression "Force Majeure" shall mean and include any circumstances or occurrences beyond Supplier's or UFI's reasonable control – whether or not foreseeable at the time of the Purchase Order – in consequence of which UFI cannot reasonably expect the Purchase Order to be realized. Such circumstances or occurrences include but are not restricted to: acts of God, war, civil war, insurrections, fires, floods, earthquakes, epidemics, changes of governmental regulations, freight embargoes.

## 14. ASSIGNMENT AND SUBCONTRACTING

14.1 Supplier shall not assign, transfer or subcontract any of its rights or obligations under any Purchase Order or Agreement without UFI's prior written consent. In case of UFI's consent, Supplier acknowledges and agrees that it has full responsibility and liability for the performance of all its subcontractors or third parties used by it, to the same extent as if Supplier performed such obligations. Any alleged assignment, subcontracting or delegation in violation of this Sub-section 14.1 shall be null and void and shall constitute a material breach thereof.

14.2 UFI may assign or transfer, in whole or in part, its rights and obligations under any Purchase Order or Agreement with no restriction.

## 15. RELATIONSHIP OF PARTIES

The Parties hereto intend to establish a relationship of buyer and seller and as such are independent contractors with neither Party having authority as an agent or legal representative of the other to create any obligation, express or implied, on behalf of the other.

## 16. COMPLIANCE WITH UFI GROUP CODE OF ETHICS

Supplier: (i) represents and warrants that it shall act with the highest level of business and professional ethics; (ii) declares to know and accepts the UFI Group Code of Ethics (available on UFI's website); (iii) undertakes, with respect to the performance of its obligations under these Terms and Conditions, to exactly comply with the provisions of the Code of Ethics; (iv) undertakes to impose to all its subcontractors (if their appointment is permitted pursuant to Section 14 above) the obligation to comply with the Code of Ethics and to regularly monitor the actual fulfilment of such obligation.

## 17. INSURANCE

Supplier shall have and shall maintain effective a suitable insurance policy covering costs and damages resulting from the delivery of the Products and/or execution of the services provided by its own personnel and/or by any third parties appointed by Supplier (including corrective measures such as recall procedures). If requested, Supplier shall provide UFI with a copy of the insurance policy, showing the insured value per incident, which must be proportionate to the value of the Products to be supplied under the Purchase Order and/or the Agreement.

## 18. AUDIT

Supplier shall maintain complete and accurate records of and supporting documentation in connection with its obligations, undertakings, covenants, responsibilities, warranties and representations set forth in any Purchase Order, Agreement or these Terms and Conditions for the purpose of allowing UFI to verify Supplier's compliance with the provisions of these Terms and Conditions. For audit purposes, UFI (and its appointed auditors, which may also include UFI's customers) – during normal business hours – shall have access to Supplier's premises. This audit right shall also be extended to Supplier's subcontractors (appointed by Supplier as per Sub-section 14.1). Supplier shall be responsible for the cost of the audit if such audit reveals any failure by Supplier to meet its obligations hereof.

## 19. NOTICES

All notices or communications to be given under any Purchase Order, Agreement or these Terms and Conditions shall be in writing, in the English language, and shall be deemed delivered upon hand delivery, by confirmed facsimile communication, by electronic mail or by certified, registered, first class or equivalent mail, addressed to the Parties at their addresses set forth on the Purchase Order and/or Agreements.

**20. HEADINGS, SEVERABILITY, WAIVER**

20.1 Section and Sub-section headings used in these Terms and Conditions are for reference purposes only.

20.2 If any provision of these Terms and Conditions shall be held to be invalid, illegal or unenforceable in any jurisdiction, the unaffected provisions shall remain in full force and effect and enforceable. In that case the Parties shall use their best endeavors to find an alternative solution in good faith, approaching as near as possible the contractual situation existing prior to determination of such invalidity or unenforceability.

20.3 UFI's failure on any occasion to insist on strict performance of any term or condition hereof shall not constitute a waiver of compliance with such term or condition on any other occasion or waiver of default. No waiver of or delay or failure by UFI to exercise any rights or remedies – under the Purchase Order, the Agreement or these Terms and Conditions – shall prejudice or preclude any future or further exercise thereof.

**21. GOVERNING LAW AND JURISDICTION**

All Purchase Orders and Agreements, as well as these Terms and Conditions, are governed by and construed in accordance with the Italian laws. The Parties hereby agree that the United Nations Convention on the International Sale of Goods (CISG) shall not apply to any sale of goods or other transactions governed by these Terms and Conditions. Any and all disputes arising out or in connection with any Purchase Order, Agreement or these Terms and Conditions, shall be submitted to exclusive jurisdiction and venue of the competent Court of Mantova, Italy.

**22. MODIFICATIONS AND CHANGES**

UFI reserves the right to make any amendment or change to these Terms and Conditions at any time. All Purchase Orders and Agreements issued or agreed after the amendments or changes to the Terms and Conditions shall be governed by the amended Terms and Conditions; furthermore the amended Terms and Conditions shall also apply to any existing Agreement 30 days from notification of the amendments, modification or changes by UFI to Supplier, unless Supplier has notified UFI within such 30 days period its express refusal to accept such new Terms and Conditions.

Supplier hereby declares to have carefully read and to accept the Terms and Conditions.

In acceptance thereof: Supplier

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For purposes of articles 1341 and 1342 of the Italian Civil Code, Supplier declares hereby to expressly accept the following Sections: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 16, 18, 21 and 22.

In acceptance thereof: Supplier

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