

GENERAL CONDITIONS OF PURCHASE (DECEMBER 2018 EDITION)

1. **Purpose and scope.**
These general conditions of purchase (hereinafter "General Conditions") apply between **Prima Power Canada Ltd.** (hereinafter "PRIMA") and its suppliers (hereinafter "Supplier(s)") in respect of any sale of the Supplier's products and services to PRIMA (hereinafter collectively "Products"). The specific terms and conditions set out in the order of PRIMA, in case of conflict with those provided herein, prevail. No other changes to these General Conditions will be valid unless accepted in writing by an authorized representative of PRIMA. Any different or additional condition laid down in the offer or in any other document created by the Supplier will not be considered valid unless expressly accepted in writing by PRIMA
2. **Orders.**
PRIMA will send the Supplier written orders by mail, fax or e-mail. They will be valid even if not signed in the original by an authorized representative of PRIMA but sent from a certified e-mail account of PRIMA. Subject of the individual order will be the description and the technical specification of the Product, quantity, price and delivery terms, in addition to specific conditions which may be agreed and/or recalled. Only after the written order of PRIMA, the Supplier will be authorized to deliver products to PRIMA.
3. **Confirmation of orders.**
Purchase orders must be returned to PRIMA signed by the Supplier for acceptance (order confirmation), within 5 (five) days after sending to the Supplier. The contract is considered concluded from the moment in which the order confirmation is received by PRIMA without any change or addition. The orders of PRIMA must be considered tacitly accepted by the Supplier in the absence of disapproval in writing within 5 (five) days from when they were sent to the Supplier. The start of orders execution, even partial, by the Supplier will be considered as tacit acceptance of the order and of the General Conditions and conclusion of the individual contract.
Any requests of supply, written or oral, do not constitute an obligation for PRIMA before issuing the order.
4. **Orders revocation and transfer.**
PRIMA can revoke the orders issued until it receives the order confirmation or until it receives the notification of order execution start by the Supplier. The Supplier has no right to transfer the order or the contract, the credits arising from it, nor any of its obligations, to any other person without the prior written consent of PRIMA.
5. **Product Delivery.**
Unless otherwise agreed, prices are intended with "delivery to the place of destination" (DAP Incoterms 2010) and include packaging. As an exception to the provisions of the second paragraph of art. 1510 of the Civil Code, the Supplier is not released from the obligation of delivery transferring the goods to the carrier or the courier and therefore the Supplier assumes all risks of loss or damage relating to the Products until it is received by PRIMA, in the place of delivery agreed. This condition which makes the supplier responsible for all transport costs and risks is applicable to all deliveries of Products, including Products to be delivered for repair or replacement. Any cost which may be supported by PRIMA on behalf of the Supplier in connection with the delivery will be charged to the Supplier.
6. **Product Delivery Terms.**
The delivery of Products indicated in the individual orders, unless otherwise agreed in writing, are to be considered binding.
In case of delay in delivery, not due to force majeure, PRIMA:
a) if the delay exceeds the expected delivery times of one-week (except if a greater or lesser period of grace is included in the order), will have the right to terminate the purchase order, refuse the late delivery of the products and procure from other Suppliers the products ordered and not delivered within the agreed delivery terms, without prejudice to the payment of damages and the recovery of any additional costs incurred for the purchase of products/services from other sources;
b) shall have the right to apply to the Supplier, as a penalty for the delay, the payment of an amount equal to 2% of the net price of the Products delivered late for each full week of delay, up to a maximum limit of 10% ; the penalty will be applied starting from the second week of delay; without prejudice in any case to the right of PRIMA to obtain compensation for further damages suffered as a result of delays caused by the Supplier, such as, for example, the reimbursement of costs incurred to arrange special transport, however, at Supplier's risk, in order to accelerate the delivery of Products or to entrust third party suppliers to perform the services.
PRIMA reserves the right to refuse the delivery of the Products before the agreed deadline. In case of refusal of Prima to receive the products delivered in advance of the agreed deadline, the Supplier shall bear any and all costs arising from the advanced delivery including any shipping cost to return the products.
7. **Packaging.**
PRIMA may request, in the individual orders, specific wrapping and packaging methods of the Products, which the Supplier must follow. In the absence of specific instructions by PRIMA, the Supplier agrees to use a suitable packaging to ensure the integrity of the Products delivered in relation to the type of merchandise. The price of the Products indicated in the individual order shall be deemed inclusive of all wrapping and packaging costs.
8. **Title.**
The Products property title and all risks will be transferred to PRIMA at the delivery of the products in accordance with art. 5 of the General Conditions.
9. **Reliability, Products Quality Checks and Acceptance**
Even in the event that the Products are manufactured by the Supplier according to technical documentation provided by PRIMA, the Supplier is obliged to carry out and/or to entrust third parties to carry out all the tests and/or the necessary checks to determine the reliability and suitability of products to the use for which they are intended, and their compliance with the requirements laid down by Italian law and by the European Union; the Supplier is required to demonstrate the checks carried out by means of a quality certificate and/or checklists. PRIMA has, however, the right to check or to entrust third parties to check the quality of the Products in accordance with PRIMA quality procedures. The checks and inspections will be carried out at PRIMA after delivery or at the Supplier prior to delivery of the Products and will be carried out by staff appointed by PRIMA. The supplier is obliged to allow, at any time, access to the personnel of PRIMA or delegated by PRIMA in order to carry out inspections and checks on the processing and/or testing methods implemented. If the checks have failed, without prejudice to the right of PRIMA to cancel all or part of the order, PRIMA will notify the Supplier about their rejection within thirty (30) days from receiving the Products. In case of rejection of products included in mass production of the Supplier, the Supplier shall provide, within fifteen (15) days from the written notice of products refusal, to deliver replacement Products to PRIMA; in case of rejection of personalized Products for the specific order, the parties will agree on the terms and conditions for the replacement of the rejected Products. If within thirty (30) days from the delivery PRIMA has not notified the Supplier about its rejection of products, they will be deemed accepted and therefore corresponding with the quality standards of PRIMA, without prejudice to the warranty for defects and correct operation pursuant to art. 9. If PRIMA rejects a product because it does not correspond to the quality standards required and/or is not in accordance with the technical specifications, PRIMA will ensure the prompt return of the rejected product to the Supplier, which shall immediately issue a credit note for the amount of the returned Product. It is understood that in case of return by PRIMA, the penalties for delay, referred to in art. 6, will apply until the time of actual replacement of the returned product.
10. **Warranties.**
Without prejudice to any other remedy provided by law in favour of PRIMA, the Supplier guarantees that the Products will comply with the technical specifications established in the order and/or in the technical documentation, will comply with the approval specifications and the Italian and European regulations (where applicable), will be suitable to their intended use by PRIMA and free from any defect in design, manufacture or materials used. In case of purchase of goods, the Supplier warrants the correct operation of the Products pursuant to art. 1512 of the civil code. The warranty period is 24 (twenty four) months from the date of delivery of the Products to PRIMA. For the warranty period, the Supplier undertakes to replace or repair defective products free of charge, or to perform again the services, chosen by PRIMA, at the headquarters of PRIMA. Any part of the Product repaired or replaced is warranted by the Supplier for 24 (twenty four) months from the repair or replacement. The warranties referred to in this article do not affect the other remedies provided by law in favour of the buyer. In any case with reference to both the legal guarantee and the good operation guarantee, the deadline within which PRIMA must notify the Supplier about any defects of the



products is agreed expressly in 45 working days from discovery of the defect or fault. The provisions of this article shall survive the termination or expiration, for whatever reason, of the General Conditions.

11. Product liability and insurance.

The Supplier remains solely responsible for damages to persons and property caused by the Products supplied under these General Conditions. In the event that a product liability action is proposed or threatened against PRIMA, the Supplier is obliged to indemnify and hold harmless PRIMA by that action and by all consequent damages and harming in case this situation is due to a defect in the Product supplied by the Supplier. In the event of any Product recall actions (or of the product in which the Products are inserted or are part) due in whole or in part to a defect in the Product supplied by the Supplier, PRIMA will inform the Supplier and will try to agree with the Supplier the times and methods for performing the recall, withdrawal and replacement operation, unless the recall action cannot be postponed and is urgent. The costs of the recall, withdrawal and replacement of the Products (or of the product in which the Products are inserted or are part) will be charged to the Supplier when it is due to a defect in the Product supplied by the Supplier. The provisions of this article shall survive the termination or expiration, for whatever reason, of the General Conditions. The Supplier shall stipulate and maintain appropriate and adequate insurance coverage to cover civil liability from defective product and provide documentary evidence at the request of PRIMA. If the purpose of the individual orders are processing of products delivered by PRIMA, the Supplier shall, at the request of PRIMA, provide documentary evidence even of the stipulation of adequate insurance policy to cover risks arising from theft and fire.

12. Rights of industrial and intellectual property.

PRIMA retains the ownership of all industrial and intellectual property rights associated with projects and designs, ideas, processes, methods and inventions, patentable or of other type, together with models, know-how, skills, equipment and all technical illustrative documentation which may be delivered to the Supplier for the execution of the order. Therefore the delivery of any document, in any form, whether paper or electronic, by PRIMA cannot in any way provide the Supplier or any successor in title of the latter, explicitly or implicitly, any license of any industrial property or intellectual right of PRIMA or of its licensor, unless otherwise agreed in writing between the parties. The Supplier cannot reproduce the manuals, drawings, plans, technical specifications, specifications, PRIMA methods or documents unless express written consent of PRIMA. The Supplier warrants PRIMA that the Products and documentation delivered under the orders do not infringe any patent, copyright or other intellectual or industrial property rights pertaining to third parties and that no proceedings for infringement of those rights related to the Products, are pending. The provisions of this article shall survive the termination or expiration, for whatever reason, of the General Conditions.

13. Prices.

The Products prices are indicated in the orders and include taxes, transportation and insurance charges, customs duties, packaging, transport and delivery costs pursuant to articles 6 and 8. Prices are fixed and invariable.

14. Invoicing and compensation.

The Supplier will issue invoices for the Products indicated in the orders on or before the delivery date. The invoices must contain a reference to the order number and PRIMA product code and indicate the quantity and description of the Products. Each Product accompanying document must contain the order number and PRIMA product code in order to enable the identification and acceptance of the Products. PRIMA can suspend the payment of invoices not bearing the order number or containing incorrect data. PRIMA can compensate any amount due by the Supplier to PRIMA, in relation to the invoices of the Supplier, for any reason including compensation for damages, also not dependent from the rights of the invoice, and even if the credit of PRIMA is not certain, liquid and payable. The Supplier shall however not proceed to the compensation of sums due for any reason by the Supplier to PRIMA with sums due by PRIMA to the Supplier or may not assign to third parties the orders, or credits arising from them without prior written consent of PRIMA,

15. Suspension of payments.

PRIMA will suspend the payment of invoices of the Supplier in case of serious breach of the latter in any of its obligations under the General Conditions or orders, including orders different from those for which the payments have been suspended if, despite after 15 (fifteen) days of receipt by the Supplier of a letter of formal notice sent by PRIMA, the Supplier has not remedied its failure.

16. Duration and termination.

These General Conditions become effective between the parties at the signature by the Supplier and will be valid and binding on any contract, order, or specific supply between the parties from that moment. PRIMA will be entitled to withdraw from the General Conditions or individual orders by written notice to the Supplier if a) the Supplier is subject to bankruptcy proceedings; b) the Supplier has failed to fulfil any of its obligations under the General Conditions or orders despite 15 (fifteen) days have passed from the receipt by the Supplier of a letter of formal notice sent by PRIMA, without prejudice to the right to compensation for damages suffered by PRIMA; c) immediately, in the case provided for in article 22.

17. Force Majeure.

The parties shall not be liable for any delay or failure to perform the obligations under their responsibility due to unforeseeable events and outside of their direct control. This includes, among other things: natural events, including earthquakes and floods, civil or military unrest, fires, epidemics, wars, riots, embargo, energy restrictions, unrest in transport. In case of force majeure, the delivery dates of the Products may be postponed for the time needed to eliminate the cause of the delay.

18. Secrecy.

The Supplier shall keep secret and refrain from using any confidential information of PRIMA. Specifically PRIMA considers that all the documentation given to the Supplier, and necessary for the purpose of execution of the order, may contain valuable trade and/or commercial secrets of PRIMA, the disclosure of which, without the written permission of PRIMA, could cause irreparable harm to PRIMA. Therefore, the Supplier undertakes not to disclose such information to third parties, not to disclose it or use it for purposes other than the execution of the order or for different purposes which may be authorized in writing by PRIMA. This obligation of confidentiality lasts even after the resolution, for any reason, of the General Conditions. The Supplier agrees not to disclose to third parties, unless consent by PRIMA, the existence of contracts or purchase orders or business relations with PRIMA.

19. Extended validity.

The following clauses shall continue to be valid also after the termination and/or expiration of the General Terms and orders: (10) Guarantees, (11) Product liability, (12) Rights of Industrial and Intellectual Property, (18) Secrecy.

20. Applicable Law and Court of Jurisdiction.

These General Conditions and any contract or order existing between PRIMA and the Supplier are subject to the Italian law, with the exception of the application of the United Nations Convention of Vienna on the international sale of goods, the Hague Convention uniform law on the international sale of goods, and other private international laws applicable to the sale of the Products, and any disputes arising from or related to these General Conditions and to any contracts or orders concluded between PRIMA and the Supplier must be permanently and exclusively resolved by the Court of Turin.

21. Privacy.

The Supplier authorizes PRIMA to process its personal data, such as biographical and identifying data, by paper means, or by electronic or phone devices, for the pursuing of the purposes strictly related to the execution of the services covered by the present General Conditions of Purchase.

The personal data given will be processed in compliance with the local applicable privacy legislation, therefore PRIMA commits itself to process them according to the principles of lawfulness, fairness and transparency, respecting the purposes indicated below, collecting them with accuracy and only as far as necessary for the processing, carried out only by personnel authorized and trained for the purpose to guarantee the necessary confidentiality of the information given.

22. Group Code of Ethics and local regulations and law concerning anti-bribery/anti-corruption

The Supplier is aware that PRIMA has adopted and implements a Code of Ethics and declares to have read it from the company website: <https://www.primaindustrie.com/our-values/> and understood it. The Supplier adheres to the principles of the aforementioned Code of Ethics and undertakes to comply with its contents, principles, and procedures and, in general, to refrain from any behavior in infringement with its contents and principles. The Supplier declares to be compliant with and respect any local national regulation concerning the anti-bribery and anti-corruption and also declares to abstain from any behavior resulting in breach of the aforementioned regulations and laws.

The Supplier agrees not to put in place - and to ensure that even its partners, directors, employees and/or collaborators do not undertake - acts or behaviour likely to lead to a violation of the Code of Ethics of



PRIMA and to adopt and implement, where necessary, appropriate procedures to prevent such violations.

In case of default, even partial, of the obligations contemplated in the preceding paragraph, PRIMA will be entitled to (i) suspend, at any time and without notice, the execution of the order, by registered letter containing a brief description of the circumstances of fact or judicial proceedings from which the default in question can reasonably be inferred; or, alternatively, (ii) has the right to cancel the order at any time and also if it is in progress, without notice and without further obligation or liability, by registered letter containing a brief indication of the facts or judicial proceedings proving the infringement in question.

The exercise of the right referred to in the previous paragraph will be at the Supplier's expense, in any case charging it with all additional costs and expenses arising or resulting from, and always without prejudice to the Supplier's liability for any adverse event or damage that occurs as a result of the failure and the obligation to indemnify and hold harmless PRIMA for any third-party action arising out of or resulting from such failure.

23. Occupational safety and the environment

The Supplier represents and guarantees to operate in full compliance with the regulations on safety and health protection, hygiene, environment and ecology, ergonomics, fire prevention, in force from time to time in Italy, in the EU and the country where the Products they are intended, providing for the preparation of all required documentation in this regard, and to ensure, also, that all the operations related to the individual order are performed in full compliance with all applicable labour law regulations in force in the place where they are produced. In particular, if the individual order includes the performance of services even in part, in the premises of PRIMA or third parties, the Supplier's personnel must strictly observe all rules, regulations and disciplinary provisions in force therein.

For acceptance, [date]

(stamp and signature of the Supplier's legal representative)

