

GENERAL PURCHASING CONDITIONS SAINT-GOBAIN ABRASIVI S.p.A.

Article 1 - Object

1.1 The present "General Purchasing Conditions" (defined "CGA" in following text) are applied to all supplier contracts between Saint-Gobain Abrasivi S.p.A. (named "buyer" in following text) and suppliers (named "supplier" in following text), discipline the method and time of delivery, technical specifications, the way and terms of payment, and every other supply condition to guarantee the regular execution, unless otherwise specified in writing.

1.2 The present CGA, are an integral and essential part of the purchase order sent by the buyer to the supplier and are to be upheld as General Supply Conditions given by the supplier.

1.3 Any general supply conditions given by the supplier differing from the CGA have no relevance unless previously agreed in writing between buyer and supplier.

1.4 There is no obligation for the buyer to meet the clauses of the supplier's General Conditions of Sale.

1.5 Please refer also to Vendor Manual document to get further specific information relevant Saint Gobain Abrasivi SpA requirements in term of packaging, product quality, safety, labeling, non-compliance management and the group's EHS Environmental Policy.

Article 2 – Purchase Order

2.1 In line with the present General Purchasing Conditions, the supply contract is deemed defined if one of the following conditions is met:

- a) The moment that the supplier sends written confirmation to the buyer with the offer, receives from the buyer a Purchase order via fax and/or email.
- b) Upon receipt of the Purchase order the supplier signs for acceptance.

Article 3 - Documents

3.1 The supply will be accompanied by technical documentation in Italian language (including instruction manual and eventual installment), essential to assure and illustrate the correct working and relative maintenance of the materials supplied. Certificates requested in the Purchase order (quality, conformity etc) must also be applied.

Article 4 – Execution of supply

4.1 The supply must be carried out conforming to requests in the Purchase order. This includes technical designs / contractual requests and all other documentation where specified.

4.2 Every successive variation will be valid only if accepted and confirmed in writing by the buyer via a written modification to the Purchasing order.

Article 5 – Prices

5.1 Unless otherwise specified in writing, the unit price of supply is for goods delivered to the buyer site with transport and insurance costs included (DDP Incoterms 2010).

5.2 Unit prices are given excluding VAT, extra taxes, customs charges etc.

Article 6 – Delivery times

6.1 Delivery times specified in the Purchase order are to be considered binding and essential. Unless otherwise agreed in writing, delivery times as indicated in the purchase order must be respected.

6.2 Without limiting or excluding the terms outlined in point 6.4, should delivery times not be respected the buyer reserves the right to cancel the order, postpone payment and seek credit if necessary from the supplier, with no recourse to legal proceedings.

6.3 In case of delay to supply, the buyer reserves the right to:

- a) suspend payment of previous supplies;
- b) once passed 7 (seven) calendar days of delay from the foreseen delivery date, a penalty of 1% (one percent) of the order value, for each week or part of, up to a maximum of 10% of the order value;
- c) once passed 7 (seven) calendar days of delay from the foreseen delivery date, refuse all or part of the supply.

6.4 The supplier is held responsible for all damages caused to the buyer coming from delays in delivery, except delays caused by exceptional and unavoidable circumstances such as: strikes, boycotts, epidemics, war, revolutions, fire, flood, earthquake, other natural disasters, embargos, transport delays.

Article 7 – Mode of delivery

7.1 The supplier will supply the materials in the quantity and quality specified in the Purchase order. Any requests for additional quantities must be agreed with the purchasing office of the buyer.

7.2 Unless otherwise specified in writing, the delivery terms are for goods to be delivered to the buyer site with transport and insurance costs included (DDP Incoterms 2010).

7.3 In order to respect the terms of delivery and transfer the risk to the buyer, the supplier renounces the responsibility for the goods only once delivered at the buyer's site / address as indicated in the purchase order. The supplier will be held responsible for any damages coming from theft, loss, fire, mishandling and/or deterioration of the goods during the transport.

7.4 Goods are released once delivered with the reservation of the right to check. According to DDP Incoterms 2010, the quantity and the weight of the goods are recognized at the time of reception at buyer's site / address as indicated in the purchase order.

Article 8 – Packing and marking

8.1 The supplier will be responsible for the suitable packing of the goods bought, following the specifications made in the purchase order. Where not stated, the supplier should use the best possible available so as to guarantee the good quality of the goods during transport and the following movements of unloading, loading and stocking.

8.2 The packaging is included in the unit price of the goods.

8.3 The supplier is responsible for any damages caused to the goods that can be linked to unsuitable packaging. Such damages must be recognized to the buyer.

8.4 Goods which do not allow a standard packaging due to their dimensions or weight should be positioned on a pallet to allow lifting in safe conditions. Goods delivered in dangerous or difficult unloading conditions will be refused and sent back to the shipper.

8.5 Each packaged must be marked with the following indications: address of ship-to, Purchase order nr, SAP article nr, gross/net weight expressed in Kg.

Article 9 – Inspection and check of goods

9.1 The inspection of the quality and conformity of the supply can be carried out uniquely by the buyer or other entity delegated on his behalf.

9.2 Should an inspection of goods at supplier site be deemed necessary, the supplier is obliged to supply any equipment or assistance necessary so as to ensure the safe conditions with no extra cost.

9.3 Should no inspection be performed, the buyer reserves the rights of product guaranty and those of the purchase order.

9.4 Should the supply be subject to inspection or validation (even if not by law) by public or private, italian or foreign, institutions, only once the validation documentation has been provided can the supply be considered complete.

Article 10 – Defects and non-conformity of goods

10.1 Should the goods be refused due to defects, deformity, non-conformity or because differing from those stipulated in the purchase order, the buyer (other than being able to exercise the rights detailed in the purchase order or by law) can choose one of the following options:

- a) Refuse the goods and so to cancel the purchase order. In this case the supplier will compensate all damages to the buyer.
- b) Request that the supplier substitutes at his cost the defective goods so as to supply as stipulated in the purchase order.
- c) Request that the supplier intervenes at his cost to eliminate the defects and re-establish the conformity of the goods.
- d) Eliminate the defects found charging the supplier without any previous communication.

In all hypotheses mentioned above, the supplier is held responsible for all damages caused.

Article 11 – Supplier warrantee

11.1 The supplier guarantees that the goods supplied are conforming to technical specifications and that the materials used have no defects, no matter how small, and that the goods have been produced following the most modern technology.

11.2 Goods are guaranteed for 12 (twelve) months from the date of delivery.

11.3 The supplier will substitute at his own charge the goods and / or part of the goods which do not conform, even if supplied indirectly from external supplier.

11.4 Every attempt by the supplier to deny, limit or avoid such a guarantee will not be considered.

Article 12 – Modifications to purchase orders

12.1 The buyer can change the quantity, delivery date, delivery address, method of packing, method of shipping etc at any time.

Article 13 – Invoicing and method of payment

13.1 Every invoice should refer to a singular purchase order.

13.2 The following information must be reported on the invoice:

- a) Purchase order nr;
- b) Number of each position of purchase order, SAP article number, description, quantity shipped and net unit price;
- c) Name, full details of address and bank identification nr where payment should be made (account nr., ABI, CAB, IBAN for Italian suppliers);
- d) Complete address of buyer and ship-to address of goods;
- e) Shipping documents

All invoices must be sent in PDF format only to the following email address: Csfm.abrasivi@saint-gobain.com; paper copies are not accepted. In the case of different orders and different invoices will be prepared and sent different PDF files and not one single PDF file that includes them all;

13.3 Fiscal conditions are applied relative to the moment of invoicing.

13.4 Shipping documents should be provided in 3 copies and should include purchase order nr, position of each position of purchase order, SAP article number, description, quantity shipped.

13.5 Should the documentation be incomplete or missing the above requested information, the payment terms are effective only once the correct documentation has been received.

Article 14 – Forbidden closure of contract, credit, subcontracting

14.1 It is completely forbidden for a supplier to cease the present contract and or rights derived from it.

14.2 It is completely forbidden for a supplier to sub-let the supply without previous written agreement from the buyer.

Article 15 – Privacy

15.1 The supplier and staff commit to maintain the confidentiality of information (oral and written) linked in any way to the buyer's company, provided by the buyer during each and every phase of supply.

15.2 Information given by the buyer must not be divulged or communicated to others, nor used against the buyer. Information of such nature should be treated with the maximum caution and used only to guarantee the best execution of the supply as agreed.

15.3 Should the previous points not be respected, the buyer reserves the right to cancel the purchase order and request damages from supplier.

Articolo 16 – Patents, brands and their licences

16.1 The supplier commits to inform and protect the buyer from any responsibility linked to the violation of patents and brands of the goods supplied.

16.2 Should the buyer be accused by a third party of violating a patent, the supplier will cover all damages sustained, refunding legal costs necessary for the defence.

16.3 Drawings and/or technical specifications owned by the buyer containing technical information that are transmitted to the buyer in order to supply the goods ordered, must not be copied, divulged or transmitted to third parties or used for other purposes other than those requested in the purchase order.

Article 17 – Safety, accidents and damage to people and / or objects

17.1 The supplier assumes total responsibility for accidents or damages to people or things, where negligent during the execution of the supply even if provided by a third party on his behalf.

Article 18 – Insurance

18.1 The supplier will adopt all necessary precautions in order to avoid any damage to people and property of the buyer and third parties during the execution of the supply.

18.2 The supplier will protect and cover the buyer from any type of claim coming from actions or omissions from the supplier, agents, staff or sub-letters.

18.3 The supplier will seek insurance from an authorized insurance body against all risks, providing to the buyer a copy of the policy in which the validity is confirmed. The supplier will not cancel or modify the terms of insurance without previous authorization from the buyer.

Article 19 – Treatment of personal data ex D.Lgs. 196/2003

19.1 The supplier is informed of the details of art. 13 of D.Lgs. 196/2003 which: a) his personal details are given to Saint-Gobain Abrasivi S.p.A. under the present General Purchasing Conditions, used also by electronic/automated communication methods, for checks and evaluations regarding the development of the relationship and adherence to law; b) giving personal data is not obligatory but refusal to do so could mean that the end of collaboration or difficulty in contracting; c) data will be communicated, as illustrated above, only to subjects authorized by Saint-Gobain Abrasivi S.p.A., management or others to whom such data must be provided by law; d) such data can also be given to subjects in EU countries as outlined in criteria of point c) above; d) the supplier can, at any time, exercise his rights under art. 7 of D.Lgs. 196/2003.

19.2 The supplier confirms to have received notice as per art. 23 of D.Lgs. 196/2003, expressing consent to the treatment, communication and transfer abroad of personal data including eventual variations to it, according to the terms and methods mentioned in the notice.

Article 20 – Community laws and regulations

20.1 The supplier is obliged to respect European Community Directives which are applicable to supplies linked to purchase orders. The supplier, under his own responsibility, must comply with the obligations of Italian law and any other legal requirements linked to the supply of goods and services.

20.2 The supply should conform with current laws in force regarding the prevention of accidents, health and safety at work, national and international technical requirements (UNI, EN, ISO, CEI and other legal equivalents) and ministerial communications when applicable. In particular, the supplier will respect the European Law (REACH) n. 1907/2006, as per attached "RESPECT OF CURRENT LAWS CONCERNING THE PROTECTION OF HUMAN HEALTH AND THE ENVIRONMENT" which are an integral part of these General Purchasing Conditions.

Article 21 – Applicable law and responding body

21.1 The present General Purchasing Conditions and purchase orders are governed by Italian Law.

21.2 Any eventual controversy deriving from the interpretation and / or application of the present General Purchasing Conditions that cannot be resolved between the parties will only be resolved by the responding body of Milan.

Article 22 – Final clauses

22.1 The present General Purchasing Conditions cancel and substitute every other previous agreement between the parties involved and form and integral agreement.

22.2 Any modification and / or integration of the conditions contained in the present General Purchasing Conditions must be written and undersigned by both parties.

22.3 The outstanding validity and / or inefficiency of any clauses in General Purchasing Conditions does not lead to outstanding validity and / or inefficiency of their respect.

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Supplier

Saint-Gobain Abrasivi S.p.A.

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(stamp and signature)

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Under the terms and conditions of 1341 and 1342 Civil Code, the supplier declares to know and accept the following articles: 1 (Object), 2 (Purchase orders), 3 (Documents), 4 (Execution of supply), 5 (Prices), 6 (Delivery times), 7 (Method of delivery), 8 (Packing and marking), 9 (Inspection and check of goods), 10 (Defects and Non- conformity of goods), 11 (Supplier Warrantee), 12 (Modifications to purchase orders), 13 (Invoicing and methods of payment), 14 (Forbidden closure of contract, credit, subcontracting), 15 (Privacy), 16 (Patents, brands and their licences), 17 (Safety, accidents and damage to people and / or objects), 18 (Insurance), 19 (Treatment of personal data ex D.Lgs. 196/2003), 20 (Community laws and regulations), 21 (Applicable law and responding body), 22 (Final clauses).

Supplier

..... (stamp and signature)

MEETING APPLICABLE STANDARDS ON THE PROTECTION OF HUMAN HEALTH AND ENVIRONMENT

Caring for the environment and respecting health and safety in the work environment are part of the customer's Principles of Conduct and Action.

The supplier undertakes to meet all applicable standards regarding chemicals sold to customers, regardless of whether these substances are supplied to be used on their own, in preparations, or in articles.

The supplier especially undertakes to comply with the REACH European Regulation n° 1907/2006 concerning the registration, evaluation, authorization and restriction of chemical substances

Therefore, in accordance with the European Regulation REACH, if the substances provided within the framework of the present contract have to be registered with the European Chemicals Agency, the supplier guarantees in particular to the customer that the substances have been pre-registered and/or will be registered within the deadlines set by the European Regulation REACH, the aforementioned registration having to cover all use by the client of these substances.

In the event that all or part of the substances supplied to the customer are subject to authorization or restriction, the supplier undertakes:

- with regard to substances subject to authorization, to supply only those substances duly authorized for the uses the customer intends to make of these substances,
- with regard to substances subject to restriction, to supply only those substances which comply with the restriction measures imposed by European Regulation REACH,
- to notify the customer of any change in regulation applicable to these substances (especially in the case of a ban on their uses) and of any substitution feasibility for such substances.

The substances, whether supplied to be used on their own, or included in preparations, or articles, will have to be delivered:

- in packaging compliant with standards applicable to the labelling and packing of chemicals such as those set by the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) established by the United Nations,
- accompanied by sufficient information enabling the customer to use them in full safety.

Whenever required by the regulations in force, the supplier undertakes to provide the customer with the corresponding material safety data sheets (MSDS). The MSDS should comply with the applicable regulations and be identical, irrespective of their linguistic version and/or of the country of delivery of the substances. The supplier will have to update MSDS on a regular basis and will have to communicate these updates to the customer. In addition, the supplier undertakes to notify the customer if the products supplied contain any substance of very high concern, as defined by the European Regulation REACH, above a 0.1% weight by weight.

The supplier undertakes to give the customer at least a six (6) months' notice if, in the course of the present contract, he intends either to modify the ingredients and/or technical characteristics of the substances supplied, or to stop selling them. In such an event, the supplier will be liable towards the customer of all financial consequences borne by the customer due to the modification or withdrawal from sale of the substances.