

GENERAL CONDITIONS OF PURCHASE OF GOODS AND SERVICES

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1. PURPOSE
The purpose of the present general conditions of purchase of goods and/or services (hereinafter the "General Conditions") is to define the terms and conditions where ALSTOM Ferroviaria S.p.A., having its registered seat in Savignano (Cuneo - Italy), Via Ottavio Moreno, 23 and share capital of Euro 240.000.000, VAT number IT 02791070044 (hereinafter the "Purchaser") entrusts the Supplier, who accepts it, to supply the goods and equipment (hereinafter the "Goods") and services (hereinafter the "Services").

2. FORM AND CONTENT OF THE CONTRACT
2.1. The Contract (hereinafter the "Contract") that shall govern the supply of Goods and Services by the Supplier to the benefit of the Purchaser shall consist of the documents quoted in decreasing order of priority as follows:
- purchase order (hereinafter the "Order").
- special conditions, supplementing and/or amending the General Conditions, specified in the Order (hereinafter the "Special Conditions").
- the present General Conditions,
- the Technical Specifications attached in the Order (hereinafter the "Technical Specifications").
- the Supplier's offer when expressly stated in the Order (hereinafter the "Offer").
2.2. Any start of performance of the Contract and especially the fact of proceeding to the design, manufacture, delivery, invoice or supply of Goods and/or Services, shall involve the definitive acceptance of the terms and conditions of all of the documents stated in Article 2.1.

2.3. All documents other than those covered in Article 2.1 shall not be applicable between the parties to the Contract, unless otherwise stated in the Order.

3. COMING INTO FORCE - TERM
3.1. Subject to the provisions of Article 2.2, the Contract shall come into force once the Purchaser has acknowledged receipt of the Order signed by the Supplier. The Supplier undertakes to return to the Purchaser, the acknowledgement of receipt of the Order within eight (8) calendar days from the receipt thereof. However, and if not stated within this time, the Contract shall be considered to have been concluded.
3.2. Unless stated otherwise in the Contract, the date of coming into force thereof shall constitute the starting point for the performance time by the Supplier of its obligations under the Contract.
3.3. The Contract shall expire when all of the obligations of each party have been fully performed.

4. PERFORMANCE OF THE CONTRACT
4.1. The Supplier shall deliver the Goods and/or perform the Services in accordance with the Technical Specifications and the applicable industry standards and the timetable for performance defined in the Contract. To this end, the Supplier certifies himself to achieve performance and results under this Contract. The performance deadlines may only be extended or reduced through an amendment to the Contract, in accordance with the provisions of Article 7.2.
4.2. The Supplier shall request from the Purchaser in due time, any approvals and instructions needed for the correct performance of the Contract. For its part and as the case may be, the Purchaser shall make available to the Supplier the materials and/or perform the works identified in the Contract. It shall also provide access to the delivery site and the performance of the Services (hereinafter the "Site" or "Sites").

4.3. In accepting the Order, the Supplier expressly acknowledges having received communication of all of the documents and information that it needs in order to accept the commitments that it has subscribed to under the Contract as well as the conditions for the performance thereof, especially concerning safety standards in force at the Site and any possible dangers connected with the installations and/or machinery nearby, whether these have been received spontaneously from the Purchaser, or whether it has itself solicited them in the performance of its obligation as a professional to solicit all of the documents and information necessary for the correct performance of its obligations under the Contract.
4.4. Throughout the term of the performance of the Contract, the Supplier shall be responsible for its staff complying with the Purchaser's internal rules and conditions of access, health and safety rules applicable at the Site. The Supplier shall inform the Purchaser immediately of any event that might affect the performance of the Contract, especially as regards safety.
4.5. The Supplier shall be responsible for implementing all of the necessary resources for the performance of its obligations under the Contract, with the exception of those specifically mentioned in the Contract as being the responsibility of the Purchaser. The Supplier shall have all of the materials and tools needed for the performance of the Contract and shall allocate qualified staff in sufficient numbers to the performance of the Contract within the contractual deadline.

4.6. Unless different procedures are specified in the Special Conditions, the Supplier shall send the Purchaser a weekly activity report tracing the Goods and/or Services performed and any difficulties encountered, which shall include in particular a progress report and any non-compliance datasets created based on a format that the Purchaser shall have previously agreed in writing.
4.7. Within seven (7) days at the latest of the Contract coming into force, the Supplier shall appoint a staff member to direct and manage the performance of the Contract. The project manager thus appointed shall be responsible for directing the operations necessary for the delivery of the Goods and/or the performance of the Services and shall be solely entitled to give instructions to the Supplier's staff who are responsible for the performance of the Services on Site. It shall be the Supplier's contact person of the Purchaser.
4.8. The Supplier shall be responsible for matters of scheduling and staff and agrees to comply with labor legislation especially that concerning working hours, weekly rest and possibly additional rest periods and annual or other leave and shall be responsible for paying all of the contributions that relate to its staff.
4.9. The Supplier shall fulfill at its own expenses, all formalities and obligations imposed by the Regulation (EC) no 1907/2006 concerning the registration, evaluation, authorization and restrictions of chemicals (REACH). It shall also undertake to ensure that its own Suppliers will comply with the Regulation.

The Supplier shall provide the Purchaser, upon its request with a certificate establishing its conformity with the Regulation's terms and conditions.
In the event of non-compliance with the formalities imposed by the said Regulation, the Supplier shall undertake to compensate any damage that may result thereof.
5. MATERIALS AND/OR SERVICES
5.1. Materials such as components, machinery, tools, models, moulds, jigs and fixtures, accessories or others which may be made available to the Supplier by the Purchaser for the purposes of the Contract shall be in the Purchaser's custody who shall take out appropriate insurance against any damage that they might suffer and it shall clearly mark them and record them as being the property of the Purchaser.
5.2. The Supplier agrees to refrain from using such materials other than for the purpose of the Contract, it shall keep them in good working order, except for normal wear and tear and it shall take on the risks relating thereto through its own insurance, if the materials are made available to it.
5.3. Any damage or deterioration that such materials may suffer due to improper use or negligence by the Supplier shall be repaired at the latter's cost. Without prejudice to the other rights of the Purchaser, the Supplier shall return such materials upon first request.

5.4. Ownership of tools manufactured or acquired by the Supplier especially for the purposes of the Contract such as models, moulds, jigs and fixtures, accessories or others, shall be transferred to the Purchaser at the time of their manufacture or acquisition by the Supplier. The Supplier shall return the tools to the Purchaser by the end of the performance of the Contract at the latest.

6. HAZARDOUS PRODUCTS
6.1. Should certain Goods or products that are to be respectively supplied or used under the terms of the Contract, contain dangerous substances or require the taking of special safety precautions during handling, transport, storage or use, the Supplier shall provide the Purchaser before delivering or using them, in writing with the necessary information relating to the nature of these substances and the precautions to take. The Supplier shall ensure that both the appropriate instructions and warnings are clearly displayed on the Goods or products in question and on the packaging in which they are placed.
6.2. In particular, and without this provision being restrictive, the Supplier shall supply the Purchaser in writing with any indications, instructions and warnings necessary in order to comply with the legislative or regulatory provisions applicable for health and safety considerations

7. MODIFICATIONS
7.1. The Supplier shall accept any modification that the Purchaser may legitimately require if it is as regards the subject of the Order, the Technical Specifications, or deadlines for performance. The related price may be adjusted in order to take into account the said modification, based on the rates and prices indicated in the Contract or, if these are not applicable, on the basis of what is fair and reasonable.
7.2. Any modification to the Contract shall only be binding upon the parties if the said modification has been formalized by an amendment to the Contract.

8. COMING INTO FORCE - TESTING
8.1. The Purchaser, who may be accompanied by any person appointed thereby, may at any time make any controlling visit that it considers necessary to the premises on which the Goods and/or Services are to be performed, during normal working hours, in order to ensure the correct performance by the Supplier, of its contractual obligations.
8.2. The Supplier shall promptly remedy any defects which could be noted relating to the Goods and/or Services during the abovementioned visits.

8.3. The Supplier shall inform the Purchaser in writing, with a minimum of seven (7) calendar days prior notice of the date on which testing is to be performed. The Purchaser and any person appointed by it shall have the right to be present at tests. The Supplier shall supply the Purchaser with official reports of the corresponding tests.
8.4. If the test results do not comply with the Technical Specifications and/or performance requirements (Quality Assurance Plan, industry standards, etc.), the Supplier shall immediately carry out the necessary corrective measures and shall repeat the planned testing at its exclusive expense, and under conditions that are compatible with the deadlines stipulated in the Contract.
8.5. Contracting and testing performed shall release the Supplier from its liability and shall not be considered as an acceptance of the Goods and/or Services by the Purchaser, the latter retaining all of its rights and contractual remedies and in particular those stated in Articles 12.1, 13 and 14 hereinafter.

9. TRANSPORTATION - PACKAGING
9.1. Should there be no special stipulation relating thereto in the Contract, the Supplier shall, in all circumstances, use appropriate packaging according to the nature of the Goods guaranteeing the integrity thereof until they are delivered.
9.2. Where there is no special stipulation in the Contract, (i) delivers on the premises mentioned in the Contract shall be made "Delivered Duty Paid" ("DDP" according to INCOTERM, 2010 version), any costs to be borne by the Supplier, (ii) for equipment purchased "ex works" ("EXW" according to INCOTERM, 2010 version), the Supplier shall be responsible for packaging and transportation on behalf of the Purchaser, under optimum conditions. The corresponding charges shall be paid by the Supplier and shall be invoiced to the Purchaser at cost.
9.3. Any delivery of Goods shall be accompanied by the Supplier's delivery note, dated, bearing references to the Contract and indicating in particular the details of the Goods delivered, the contents of the parcels therein, their gross weight, method of transportation, date of shipment, date of the bill of lading number or vehicle registration number where relevant. The Supplier shall send simultaneously, by separate letter, a copy of the document to the Purchaser's department that issued the Order.

10. DELIVERY AND LEAD TIME
10.1. The date(s) or deadlines for the performance of the Services and/or delivery of the Goods specified in the Contract, are ABSOLUTE DEADLINES, they shall constitute a substantial condition of the Contract. In view of their timing needs, the Purchaser has the right to postpone the date or dates for the provision of Services and/or delivery of the Goods specified in the Contract.10.2. If the delivery of the Goods and/or performance of the Services are likely to be delayed, the Supplier shall inform the Purchaser accordingly as soon as possible and shall specify in writing the measures it has adopted or proposes in order to minimize the consequences of such delay.

11. PENALTIES FOR DELAY
11.1. If the Supplier fails to comply with the dates or delivery deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.
11.2. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added tax, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added tax. Each week started gives rise to the application of penalties for the week in question.

11.3. If the Supplier fails to comply with the dates or delivery deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.
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11.5. The Supplier shall be responsible for any delay or non-compliance with the deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.
11.6. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added tax, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added tax. Each week started gives rise to the application of penalties for the week in question.

12. COMPLIANCE REQUIREMENTS
12.1. The Goods and/or Services shall comply with the Technical Specifications and be suitable for the use they are expected. They shall also satisfy the usual quality criteria as well as the current standards and legislation in force.

The Goods shall be delivered in a state of full completion with the complete documentation associated therewith as well as all of the instructions, recommendations and other indications necessary in order for them to be used correctly and under the appropriate safety conditions. Goods or Services that do not meet all of the previous requirements shall be considered as non-compliant.

12.2. If the Supplier is not certain that the results of the Services or Goods that it shall deliver comply with the requirements defined in Article 12.1, it shall inform immediately the Purchaser thereof in writing, providing all of the needed indications concerning the risks of non-compliance and the measures that the Supplier intends to take in order to remedy the situation. The Purchaser shall notify its acceptance or rejection of the Supplier's proposals as soon as possible and in writing.
12.3. If the Purchaser assesses on its part that the Supplier is not performing the Services and/or supplying the Goods in accordance with the Contract, it may require the Supplier to indicate to it, in writing, the measures that the Supplier intends to take to remedy the situation. The Purchaser shall notify the Supplier in writing as soon as possible of its acceptance or rejection of the Supplier's proposals.

13. NON-COMPLIANCE - REJECTION OF DELIVERY
13.1. If, when they arrive at the Purchaser's premises or any other place agreed between the parties, the Goods and/or the result of the Services are considered as non-compliant, the Purchaser may reject all or part of them. The delivery shall then be considered as not having been made.
13.2. In this case, the Purchaser reserves the right (i) to require the Supplier to replace or repair the rejected Goods and/or the result of the Services, within the deadline laid down by the Purchaser, or (ii) to self perform or have performed the said replacement or reworking by a third party of its choice, in accordance with the provisions of Article 13.3, or (iii) to return the Goods and/or the result of the Services subject to a rebate, or (iv) to terminate the Contract in whole or in part in application of Article 25. In all cases, the totality of the costs and risks shall be borne by the Supplier.
13.3. In the case defined in Article 13.2 (i), the Purchaser may choose to remedy the non-compliances by itself and/or to assign to a third-party company of its choice for the repairing or remedying, at the Supplier's cost and risks, after an official notification to remedy the non-compliance addressed to the Supplier by registered letter with fifteen (15) days' notice has remained unremedied. The Supplier shall then facilitate the interventions of the Purchaser or third-party company and shall provide to them the tools, drawings, studies and any other documents already created and necessary for the production of the Goods and/or Services.

14. GOODS OR SERVICES SUBJECT TO ACCEPTANCE
14.1. The Contract provides acceptance tests for Goods and/or the result of Services after their completion and/or delivery to the Purchaser, the acceptance shall only be considered as definitive when such tests have demonstrated the compliance of the Goods and/or the result of the Services to the requirements defined in Article 12.1.
14.2. Where the Contract provides for an acceptance procedure in the presence of both parties, at the end of such procedure, the parties shall sign an acceptance certificate if they agree on the compliance of the Goods and/or result of the Services with the requirements of Article 12.1. Such acceptance certificate shall be produced in two (2) originals.
14.3. Signature of the acceptance certificate without any reservations by the parties shall authorize the Supplier to invoice the Purchaser under the terms of payment due on acceptance date.

14.4. The Supplier may pronounce the acceptance of the Goods and/or the result of the Services, subject to the signature of the Goods and/or the result of the Services in question depending on the circumstances under the sole assessment of the Purchaser and if the non-compliances are revealed to be of an insignificant nature, especially if they do not affect the safety and/or use of the Goods and/or their environment. The Supplier undertakes to remedy any non-compliances revealed in the certificate within the deadline that it stipulated therein. In case all or part of payment due upon acceptance date may be withheld by the Purchaser until it has been established by both parties that the Goods and/or Services in question have been made compliant.

15. TRANSFER OF TITLE - TRAFFIC OF RISKS
15.1. Notwithstanding any other provision, the ownership of the Goods and/or result of the Services shall be transferred to the Purchaser as soon as they are being individualized and at the latest upon their actual delivery to the Purchaser or to any other place agreed between the parties.
15.2. The risks relating to the Goods and/or Services shall be transferred to the Purchaser (i) upon the date of their acceptance of the last is performed on Purchaser's premises in accordance with the provisions of Article 14 (i) (ii) or (iii), on the date of delivery to the Purchaser's Site.
15.3. The prices indicated in the Order shall be firm and definitive for the term of the Contract. They shall be stipulated including of all taxes except value added tax.
15.4. Unless otherwise stipulated in the Contract, the payment of the amounts due to the Supplier shall be made in euro, as the currency of both the account and of payment.

15.5. Unless it has been stipulated otherwise in the Contract, the price shall mean "Delivered Duty Paid" ("DDP" according to INCOTERM, 2010 version) at the place provided for in the Order.
15.6. Invoices shall indicate the complete references of the Contract and shall be issued by the Supplier in accordance with the due dates stipulated in the Contract, subject to the complete performance by the Supplier of its corresponding obligations.
15.7. Unless stipulated otherwise in the Contract, the invoices issued by the Supplier shall be paid by the Purchaser within 60 days end of the month from the date of their reception.
15.8. As long as the Supplier has not fully fulfilled its obligations, the Purchaser is authorized to retain all or part of the corresponding payment of the purchase price.

15.9. At any time, the Purchaser is authorized to deduct from payments due to the Supplier in consideration of the performance of its obligations, any amount that the Supplier is accountable for under the Contract, especially in application of the provisions of Articles 5.3, 11; 13.3 and 21.1.
15.10. On any late payments, will be due to the Supplier, after the formal notice of the Supplier, the legal interests pursuant to art. 1284 of Italian civil code.

16. CONFIDENTIALITY
16.1. The Supplier undertakes to comply with the confidential nature of any documents, models, plans, drawings, specifications, information, data and other items of information that shall be transmitted to it by the Purchaser or which may come to its knowledge in the context of the performance of the Contract (hereinafter the "Confidential Information") and agrees to refrain from disclosing them to third parties, reproducing them or using them for purposes other than for the performance of the Contract, without prior written consent from the Purchaser.
16.2. The term "Confidential Information" shall not apply, however, to information for which the Supplier may provide proof that such information:
a) was already in the public domain at the time of its disclosure;
b) had been accessible to the public, other than through the Supplier having failed in its contractual obligations, or
c) had been legally received from a third party who was completely at liberty to disclose it to the Supplier, or
d) was in the Supplier's possession at the time it was disclosed by the Purchaser.

16.3. The Supplier shall only communicate or disclose Confidential Information to those members of its staff who are directly involved in the performance of the Contract and bound by confidentiality requirements to the same extent as those contained in the present Article.
16.4. The Supplier shall not copy nor reproduce, in full or in part, any Confidential Information supplied by the Purchaser without the prior written permission of the Purchaser, with the exception of copies or extracts that may reasonably be necessary for the performance of the Contract.
16.5. The Supplier shall in no case use the existence of the Contract for advertising, promotional or similar purposes, without the prior written consent of the Purchaser.
16.6. The provisions of the present Article shall remain in full force throughout the term of the Contract and for five (5) years after the end of the Contract, regardless of the reasons why the Contract may end.

17. INTELLECTUAL PROPERTY
17.1. "ALSTOM Group company" shall mean any company of which at least fifty per cent (50%) of the share capital is owned, directly or indirectly, by ALSTOM Holdings.
17.2. All intellectual property rights relating to results developed and/or obtained as a part of the performance of the Contract (hereinafter designated as the "Results"), regardless of the nature of such Results, such as technical information and/or solutions, relating to design, development, testing, production, operation, maintenance, configurations, databases, software (including documented source codes), drawings, models, plans, sketches, tooling and equipment, as well as all of the documentation associated therewith, shall be the exclusive property of the Purchaser as soon as they are obtained by the Supplier.
17.3. More specifically, with respect to copyright associated with Results, the Supplier assigns to the Purchaser on an exclusive basis, for the legal term thereof and for all countries, all of the representation and reproduction rights, for any purposes and for all uses, direct or indirect. These rights shall notably include and in the widest sense: (a) the temporary or permanent reproduction right, by any means, on any media (newsprint, internet, and digital media), etc. and at any site; (b) the right of identification and making by any means; (c) the representation right by any procedures; (d) the right of correction, adaptation, evolution, enhancement, modification, addition or creation of derivative works; (e) the right of publication and commercial use whether against payment or not.

The rights thus assigned shall apply to any applications and may be assigned by the Supplier to any third party of its choice.
17.4. The Purchaser shall be solely entitled to decide to protect the Results or otherwise, in whole or in part, in its own name or that of a Company in the ALSTOM Group, without any consideration or compensation of any nature whatsoever being due to the Supplier in addition to the price stipulated in the Contract for the Goods and/or Services in question.
17.5. The Supplier specifically undertakes, on its own behalf or for any of those involved for its part, such as, without this list being exhaustive, representatives, agents, service-providers or sub-contractors, to perform all of the necessary formalities, where applicable, to cause the provisions of the present Article 18 to become effective.
17.6. The Supplier shall guarantee the Purchaser against any claims, legal action or administrative proceedings that might be directed against the Purchaser by a third party alleging the existence of the infringement of a patent, design, trademark, copyright or any other existing intellectual property right, relating to Goods and/or Services. In such case, the Supplier shall indemnify the Purchaser for any consequences (including damages, costs and expenditure of any nature, comprising related attorneys' costs and fees) for which it may be made liable.
17.7. Should proceedings be brought or a claim directed against the Purchaser in the context mentioned above, the Purchaser shall advise the Supplier accordingly, and such Supplier shall conduct these proceedings or claim at its own expense. At the request of the Supplier and its expense, the Purchaser shall provide the necessary reasonable assistance.

17.8. If use of an intellectual property right is judged as constituting an infringement, and if the Purchaser so requests, the Supplier shall modify or replace at its own expense the infringing part, provided that such amendment or replacement shall not affect the destination, value, use or performance of the Goods and/or Services.
18. HEALTH AND SAFETY
18.1. The Supplier shall comply with the laws and regulations in force determining the health and safety instructions applicable to the work performed as part of the Contract and especially, if appropriate, to the work performed in any Site by a third company.
18.2. The Supplier shall also comply with the intent rules at the Purchaser's site(s) where it may have to work for the purpose of performance of the Contract.

19. ALIEN EMPLOYMENT
19.1. Under the performance of the Services, in accordance with laws and regulations in force concerning the prevention and the control of illegal working, the Supplier shall submit to the Purchaser, as soon as the Contract comes into force and before beginning the performance of the Services at the latest, the corresponding certificates and any additional documents that may be required in the Order.

20. WARRANTY
20.1. General Provisions
Without prejudice to the legal provisions applicable, the Supplier guarantees the Goods and/or the result of the Services against any defects in design, material, workmanship and assembly throughout the term defined in Article 21.2 or 21.3 as the case may be. This guarantee includes the cost of parts and labor (including any travel expenses). The Supplier's warranty does not include defects resulting from normal wear and tear on the Goods, usage not compliant with the associated documentation or negligence demonstrated by the Supplier attributable to the Purchaser and/or its staff. Should the Supplier fail in the performance of its warranty obligation, the Purchaser may itself remedy the failing and/or assign a third party of its choice to perform the remedy, at the Supplier's cost and risks, after an official notification by registered letter has remained unremedied for seven (7) calendar days.
The Supplier shall be liable for everything possible to facilitate the work of the Purchaser or the third-party company under the most favorable conditions and especially it shall remit to them the tooling, plans, studies and any other necessary documents.

20.2. Warranty applicable to production Goods or Services
20.3. The Supplier shall be responsible for any delay or non-compliance with the deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.
20.4. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added tax, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added tax. Each week started gives rise to the application of penalties for the week in question.

20.5. The Supplier shall be responsible for any delay or non-compliance with the deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.
20.6. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added tax, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added tax. Each week started gives rise to the application of penalties for the week in question.

20.7. The Supplier shall be responsible for any delay or non-compliance with the deadlines for the delivery of the Goods and/or performance of the Services specified in the Contract, except for reasons attributable to the Purchaser, the latter is entitled to apply penalties, without any prior official notification, from the moment any deadline has been reached.
20.8. Unless stipulated otherwise in the Contract, the penalties mentioned here above shall be calculated at the rate of two per cent (2%) of the total price of the Contract exclusive of Value Added tax, limited to ten per cent (10%) of the total price of the Contract exclusive of Value Added tax. Each week started gives rise to the application of penalties for the week in question.

Unless the Contract provides otherwise, the contractual term of the warranty shall be twenty-four (24) months from the date on which the Purchaser's system, or set or product which incorporate the Goods and/or Results of Services is put into service, and thirty-six (36) months as a maximum from the delivery of the Goods and/or Services at the Purchaser's Site.

During the warranty period, the Supplier shall correct or replace, at its expense, any defect notified to it by the Purchaser, within a period not to exceed two (2) working days as from the written notification sent by the Purchaser. This end, it shall apply the most appropriate solution between repair, replacement of the defective part in the Good, or re-design of the part. The Purchaser has consented thereto. Replacement, repair or re-design operations shall cover all of the Goods to be delivered in the context of a single Order, including spare parts. The Supplier shall also cover the costs relating to the logistics, disassembly and installation of the Goods on the Client's equipment, depending on the case.
Any replacement or repair, even partial, of a Good affected by a defect shall give rise to the application of a new warranty period covering the Good concerned for a period of twenty-four (24) months from the date of the repair or replacement.

Furthermore, the Supplier undertakes to ensure subject to further Purchaser's orders, that the Goods will remain available, as well as depending on the case, their sub-sets, components or spare parts, in compliance with the Technical Specifications and this shall be for a period of thirty (30) years from the date of the Order. Should the Supplier be unable to fulfill such a commitment, it undertakes to transmit to the Purchaser, free of charge, all of the drawings, specifications documentation, specific tools, documents and other information, regardless of the medium they are on, in order to enable the Purchaser to find an alternative source of manufacture, sale, repair and/or maintenance relating to the Goods, their sub-sets, components or spare parts.

20.9. Unless there are different provisions in the Order, the contractual term of the warranty shall be twenty-four (24) months (i) from the date of acceptance when the Goods and/or Services are subject to the provisions of Article 14 (i) (ii) from the date of delivery to the Purchaser's Site in the opposite case.
During the warranty period, the Supplier shall correct or replace at its own expense, any defect notified to it by the Purchaser, within a period not to exceed five (5) working days from the time of written notification sent by the Purchaser. This end, it shall apply the most appropriate solution between repair, replacement of the defective part in the Good, or re-design of the part. The Purchaser has consented thereto. Replacement, repair or re-design operations shall cover all of the Goods to be delivered as part of a single Order, including spare parts. The Supplier shall also cover the costs relating to the logistics, disassembly and installation of the Goods on the Client's equipment, depending on the case.
Any replacement or repair, even partial, of a Good affected by a defect shall be productive of an application for a new warranty period covering the Good in question for a period of twenty-four (24) months from the date of repair or replacement.

21. ENDemic DEFECTS
21.1. Endemic Defects shall mean the same defect affecting at least (5%) per cent of Goods or a same defect affecting at least three (3) per cent of circuit boards, components or electronic sub-sets delivered by the Supplier to the Purchaser under the Contract, measured over a continuous period of twelve (12) consecutive months, from the date of Delivery of the first Good until three (3) years after the date of delivery of the last Good to the Purchaser. Throughout the warranty period defined above, the Supplier shall provide an analysis and action plan to correct any Endemic Defect that shall be notified to it by the Purchaser, within a period not to exceed one (1) week from the notification thereof by the Purchaser. This action plan shall be implemented within a reasonable period, to be determined by the Purchaser, and the Supplier shall be held liable in relation to the Endemic Defect.
If an Endemic Defect affects the same part or the same Good in one or more Orders, the Supplier shall repair or replace all of the identically parts or Goods that are the subject of such Order(s). The Supplier shall also bear the costs of the logistics, disassembly and re-assembly of the parts of such Goods.
If an Endemic Defect on the same part or the same Good is repaired, the warranty period covering the part or Good shall be extended for a period of twelve (12) months, from the date of receipt by the Purchaser of the Good or part thus repaired.

21.2. RELIABILITY TESTS (MTBF) are defined in the Technical Specifications attached as an Appendix to the Contract. Notwithstanding any possible application of penalties relating to reliability defined in the Special Conditions, Goods shall remain covered by the warranty defined in Article 21 of the Contract as long as the reliability commitments have not been reached.
21.3. LIABILITY
The Supplier shall indemnify the Purchaser, whether during or after the performance of the Contract, for any damage, material or non-material, suffered as the result of partial or total non-performance or poor performance of the Contract for any reason for which it is liable, any loss of damage, material or non-material, resulting from acts or omissions of the Supplier, as well as any death and/or for any physical injury caused by the Supplier. The Supplier's liability shall include its sub-contractors, representatives and agents. The above compensation shall cover, where applicable, the related costs and court orders resulting from any proceedings or trial.

21.4. The Supplier shall be held liable for any damage, material or non-material, suffered as the result of partial or total non-performance or poor performance of the Contract for any reason for which it is liable, any loss of damage, material or non-material, resulting from acts or omissions of the Supplier, as well as any death and/or for any physical injury caused by the Supplier. The Supplier's liability shall include its sub-contractors, representatives and agents. The above compensation shall cover, where applicable, the related costs and court orders resulting from any proceedings or trial.
21.5. INSURANCE
21.1. The Supplier shall hold insurance policies covering its civil and professional liability under the obligations defined in the Contract. These policies shall be taken out for amount appropriate with respect to the subject of the Contract.
The Supplier shall supply, upon first request from the Purchaser, certificates of insurance to cover the corresponding risks. These certificates shall indicate the amount and extent of the warranties as well as their term of validity and shall state that the payment of premiums relating thereto has been made.

21.2. The Supplier undertakes to keep its insurance policies in force as long as it is under an obligation under the terms of the Contract. Any change during the performance period covered by the extent of the warranties and/or capital covered shall be notified without delay to the Purchaser and shall be subject of a new certificate that shall be sent to the Purchaser.
21.6. FORCE MAJEURE
21.1. If the performance of a contractual obligation is prevented, restricted or delayed by a case of force majeure, the party on whom the obligation is incumbent shall, subject to the provisions covered in Article 24.2, be exempted from any liability resulting from this prevention, restriction or delay concerned and the deadlines it shall have been given for the performance shall be extended accordingly.

21.2. The party that is a victim of an event of force majeure shall so inform the other party in writing within five (5) working days from the date of the occurrence of the event that constitutes force majeure and shall take every reasonable step to minimize the consequences of such a situation, especially to avoid or limit a possible delay in delivering the Goods and/or performing the Services.
21.7. SUSPENSION - TERMINATION
21.1. The Purchaser reserves the right to suspend the performance of the Contract at any time through notification made by registered letter with acknowledgement of receipt sent to the Supplier. In such a case, the Supplier may claim compensation of the amount of the Contract that has remained to be additionally executed duly proven that has been directly caused by the suspension, to the exclusion of any indirect damage including loss of profit.
21.2. Either of the parties may terminate the Contract as of right, without prejudice to the exercise of its other rights and remedies, in the case where:
a) if an event of force majeure occurs that is of such a nature as to delay the performance of the Contract by more than thirty (30) calendar days, without further formality other than the dispatch to the other party of registered letter with acknowledgement of receipt or
b) the other party fails in any of its obligations under the Contract and shall not have remedied this defect within fifteen (15) calendar days following the receipt of an official notification sent by registered letter with acknowledgement of receipt from the non-defaulting party. The Purchaser may be entitled to terminate should it emerge during the course of the performance of the Contract, that the subject thereof will eventually be rejected in whole or in part, if it were to be completed.

21.3. The Purchaser may terminate the Contract for convenience with one (1) month's notice, merely by sending a registered letter with acknowledgement of receipt to the Supplier. The Purchaser shall also be entitled to terminate the Contract and/or the individual Order in case of a preferential disclosure pursuant to Art. 11 of Italian Presidential Decree n. 159/93, which shows that the Supplier is exposed to mafia infiltration's attempts.
21.4. The Purchaser may terminate the Contract if there is a corresponding contract, that exists between the Purchaser and the end-user of the Goods and/or Services and that this contract has been terminated.
21.5. In the circumstances covered in Articles 25.3 and 25.4 above, the Supplier may claim compensation from the Purchaser on condition that it has complied with its contractual obligations, representing direct, reasonable and justified costs, legitimately incurred in the performance of the Contract until the termination thereof and that the Supplier shall otherwise have no other means of avoiding or recovering them. In no case may this compensation exceed the amount of the Contract net of any amounts excluded under the Contract including loss of profit.

21.6. The Supplier shall introduce into its own orders sub-contracting contracts linked to the Contract, similar provisions to those contained above in order to minimize the potential financial impact of the application thereof.
21.8. TAXES AND DUTIES
21.1. The Supplier shall be responsible for the payment of all taxes, duties and levies of any kind for which it may be liable due to the delivery of the Goods and/or the performance of the Services.
21.2. The Purchaser shall have the right to deduct from the payments due to the Supplier under the terms of the Contract, any taxes or levies, and similar charges, if the Supplier fails to remit to the Purchaser the necessary certificates covering exemption from such deductions.

21.9. ASSIGNMENT AND SUB-CONTRACTING
21.1. The Contract having been entered into in whole or in part, the Supplier, without the prior written consent of the Purchaser, may not assign it, in full or in part.
21.2. The Supplier may not sub-contract the production of the Goods and/or Services unless the Purchaser has provided its consent in writing and in advance. The abovementioned restriction shall not apply, however, in the case of sub-contracting materials or minor elements not to parts of the Goods for which the sub-contractor is designated in the Contract. Even though covered by such consent, the Supplier shall remain solely liable for all of the Goods supplied and/or the Services performed by it and all of its sub-contractors.
21.3. The Supplier shall not assign, in whole or in part, the Contract and/or any Orders or any rights or obligations thereunder, without first obtaining the written consent of the Purchaser. The Purchaser reserves the right to have its rights and obligations under the Contract performed by itself or any other Company in the ALSTOM Group.

21.10. SUSTAINABLE DEVELOPMENT
The Supplier acknowledges having read and being fully aware of the Charter for sustainable development adopted by ALSTOM currently in force which is available on ALSTOM's website at the following address: www.alstom.com. It undertakes to respect the principles thereof, which comply with the United Nations' "Global Compact" to which ALSTOM subscribed in 2008.
21.11. APPLICABLE LAW AND JURISDICTION
21.1. The Contract shall be subject to Italian law.
21.2. Any dispute arising out of the liability, interpretation, performance and/or termination of the Contract which the Parties are unable to resolve amicably shall be finally settled by arbitration, in accordance with the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The seat of arbitration shall be Milan.
21.3. Application to the Arbitration of the International Chamber of Commerce is subject to the application of the Convention on contracts for the international sale of goods, signed in Vienna in 1980 as expressly excluded.

21.12. CODE OF ETHICS The Purchaser has adopted the ethical principles of conduct prescribed by Italian Legislative Decree no. 231/2001 and subsequent amendments, defining the roles and responsibilities and adopting procedures, in particular the model of organization, management and control (the "Model") pursuant to the aforementioned Decree. The Supplier, in its acceptance of the Contract, is intended to follow clearly the provisions of Italian Legislative Decree no. 231/2001, remaining as of full understood that any violations of such Legislative Decree 231/2001 and/or of the Model by the Supplier will lead the Purchaser to immediately terminate the Contract.
21.13. INFORMATION ACCORDING WITH LEGISLATIVE DECRETION 10 June 2008, No. 136 Under Article 13 of Italian Legislative Decree no. 136/2008 "Code concerning the protection of personal data", the company ALSTOM Ferroviaria S.p.A. data processor, announces the following to every subject interested by the treatment of personal data collected for the purposes of the Contract, data and tax identification of the Supplier or persons acting on its behalf, as well as by other information such as addresses and e-mail addresses of bank accounts, and any other data necessary to make information, stored and used for the functional purposes of the Contract and the fulfillment of the law. The supply of such data is optional, but a refusal to provide such data prevents the Supplier from its correct provision or completion of the Contract, as well as to the performance of its contractual obligations. The information is processed by computer and in any case in compliance with the minimum measures of security and confidentiality provided by law. The data are stored at our company seat, located in Savignano, Via Ottavio Moreno 23 by the designated manager, in different locations, for the time and for the purposes of the Contract. The address of the designated manager is: ALSTOM Ferroviaria S.p.A. Human Resources Department. Please note that Article 7 of Italian Legislative Decree no. 136/2008 grants the exercise of certain rights, including those to obtain confirmation of the existence of personal data even if not registered, the intelligibility of such data, their origin, purpose and methods of treatment and the logic applied in their treatment, the deletion or rectification of such data, the cancellation, anonymization or blocking of data in violation of the law. It also has the right to be informed, in whole or in part, for legitimate reasons, to the processing of personal data provided for the purpose of the collection of for commercial communications, for the sending of advertising materials or for direct sales.

21.14. LANGUAGE These General conditions are in two versions, one in Italian and one in English. Should any controversy arise in relation to the interpretation of one or more provisions of these General conditions, the Italian version shall prevail.