

## General Conditions of Contract

### DEFINITIONS

For the purposes of this contract, the following definitions shall apply.

**Risk:** the probability of the occurrence of an unexpected, accidental, damaging event.

**Durability Defect:** the inability of a system to limit the process of deterioration to which it is subject and the subsequent compromising of its functionality during its useful design life or the average service life of systems in the same category, under certain conditions of use and maintenance.

**Construction project customer:** physical person or legal entity responsible for commissioning specific works that may be wholly or partially subject to control.

**Design documents:** drawings or other technical documents (the result of the planning and design Operations) that:

- describe the design decisions or the works to be carried out, the parts and the methods of execution
- justify the design decisions through calculations, test reports and product certifications.

**Inspection Service Control:** an activity through which, at the request and on behalf of second or third parties, the result of the various phases of a construction process are examined, in order to highlight any instances of non-conformity with respect to the previously verified design specifications and, more generally, any instances of non-conformity with the defined objectives and constraints; the customer or other interested parties are then informed of the results of the examinations. The subject of the control service is a construction process that has as its end point the realization of a set of works or their renovation, maintenance or repair. The purpose of the inspection is the normalization of the technical risk through prevention.

**Inspection body:** type-A control body accredited by SINCERT in accordance with the ISO/IEC 17020 Standard (former UNI CEI EN 45004 Standard) and recognised by the insurance company.

**Customer:** a physical person or legal entity responsible for commissioning the inspection body directly to carry out the control Operation, specifying the subject and objective of the control service.

### Article 1. SUBJECT OF THE CONTROL

The activities of technical control is invoiced by drawing up Design Quality Control Reports and/or work in Progress Control Reports and/or Final Control Reports. Unless otherwise agreed by the parties, laboratory tests



are not included in the scope of this contract. In any case, CONTECO reserves the right to request, whenever necessary in order to fulfil its responsibilities, the conducting of tests.

By signing the contract, the CUSTOMER accepts the reports issued by CONTECO as described in the Specific Conditions, with which the CUSTOMER will comply fully. In carrying out its duties, CONTECO in the performance of the assignment never takes on the role of the organ responsible for the execution of the work or the role of one of the figures part of the construction process, which by way of example designer, architect, works manager, tester, project manager, site manager, contractor, subcontractor, so do not take any responsibility about the success of the work.

As a consultant with a non-operative, non-executive role in relation to the works, CONTECO may not be held responsible for any defects or damages of any type that may occur during the execution or implementation of the works covered by this contract.

Unless otherwise stated in the Specific Conditions, which set out the particulars and limitations of the project, CONTECO shall not take into consideration, when carrying out its controls, phenomena such as natural catastrophes (earthquakes, storms, floods, tsunamis, lightning) or those relating to nuclear fission.

## Article 2. MODALITIES OF THE SERVICE

CONTECO carrying out the checks may elect discretion within the following aspects:

- analysis of technical documentation, such as: tendering contract, geotechnical report specifications, blueprints and as-built drawings, calculation notes and reports, general tables, technical details, technical specifications and installation and commissioning procedures, and in general any type of document that contains a technical description of the work;
- analysis of documentation concerning the management and planning of the order, such as: quality plans, safety plans for persons and the environment, processing programmes;
- analysis of documentation relating to the organisation of the personnel involved in the execution of the works;
- analysis of the documentation relating to the organisation of third parties, such as sub-contractors ;
- analysis of the materials used in the construction of the works;
- inspections at the construction site in order to verify the operational condition of the company and the compliance of the works to the design.

CONTECO reserves the right to make observations at any time on the documentation received and to request any additional documentation considered necessary. Unless otherwise agreed between the parties, the control Operation shall be conducted by CONTECO using sample tests. The sample testing is not continuous and the frequency and duration of the testing is set by CONTECO at its own discretion. The results of the CONTECO interventions shall be shown in one or more reports. The results of the interventions of CONTECO are shown in



one or more reports, which rendicontano also the situation during the verification of inspectors. Any additional modification to the existing construction, its systems or the installations covered by this contract will compromise the value of CONTECO's reports.

CONTECO verifies that its opinions have been acknowledged and that the necessary measures have been put in place to eliminate the instances of non-conformity or anomalies uncovered.

### Article 3. EXCLUSIONS

The control CONTECO not work for:

- in cases of restoration, works and systems existing prior to the implementation of the works and not modified during the works;
- elements carried out on the initiative, or under the responsibility, of the users or occupants, event if there were begun before the consignment of the works and/or the occupation of the spaces;
- items made in violation of the Consolidated building;
- works and installations, the use of which is different from the intended use or communicated for which the relevant documents were not provided;
- personal property.

The service provided by CONTECO is of an intellectual nature. This responsibility does not cover works or installations whose use is other than the stated intended use, or uses for which the relevant documents have not been supplied.

### Article 4. PAYMENT, VARIATIONS AND PAYMENT METHODS

The amount due for the work done by CONTECO, and the payment methods, are set out by the parties in the Specific Conditions. The amount due may be set on the basis of an allowance per period, as a lump sum or as a percentage of the value of the works.

"Value of the works" means the effective amount of the tender contract at the outcome of the construction and therefore includes all the items that have contributed to the realization.

Unless otherwise agreed by the parties, the CUSTOMER shall be exclusively liable for all travelling expenses and additional expenses inherent in and consequent to the appointment.

The amount set out in the contract is to be interpreted as net of VAT and subject to VAT.





If the amount is determined as a percentage of the value of the works, any increases in the value of the works during the course of the works will result in a proportionate increase to the fee, as set out in the Specific Conditions.

In the event of extension for any reason outwit CONTECO's control, the fees described in the Specific Conditions will be adjusted as follows: extension of up to three months – 15% increase; extension of between three and six months – 20% increase; extension of between six months and one year – 25% increase; extension of more than one year – 30% increase.

In any case, the amount due may be subject to revision in accordance with the methods expressly set out in the Specific Conditions.

The payment of the fees and expenses may not be deferred for reasons of technical divergence with respect to the statements made by CONTECO. It is expressly agreed that the amount due must be paid by the Customer to CONTECO for the activities performed by CONTECO regardless of the outcome of the Final Report.

#### Article 5. INTERESTS

In cases where payment of the amount due (as per the Specific Conditions) is late, interest shall be calculated as per the indications set out in Italian Legislative Decree No. 231/2002.

CONTECO has the right to be refunded for the cost for each late-payment request and all other expenses it may incur in the endeavour to recover the funds owed to it, and reserves the right to suspend the control operations until payment has been received.

#### Article 6. OBLIGATIONS ON CONTECO

CONTECO commits to:

- carrying out its tasks with the diligence requested by the nature of the operation, with the use of appropriate means;
- to drafting, on the basis of the work carried out, the report(s) set out in the Special Conditions, on the terms and using the methods indicated therein;
- to guaranteeing the customer free, unhindered access to the inspection services;
- during inspections, to respect the instructions provided by the safety managers;
- to guaranteeing impartiality of judgement, and respect for professional ethics and privacy.



## Article 7. OBLIGATIONS ON THE CUSTOMER

THE CUSTOMER commits to:

- delivering, upon CONTECO's request, at its own expense and within an acceptable timeframe, a hard copy of the entire documentation set out in Article 2, above;
- guaranteeing that any copies of the documents in electronic format are made available in non-modifiable formats with a view to preventing involuntary alterations during the inspection process;
- complying with all current security regulations;
- allowing CONTECO staff access to the construction site, factory and/or workshop upon CONTECO's request, and to making available everything necessary for the carrying out of the control;
- allowing the inspectors from ACCREDIA, CONTECO's accreditation body, to access the building site, factory and/or workshop on prior request from CONTECO to the CUSTOMER;
- providing CONTECO with all of the information required for the carrying out of its duties (for example: phases in and modification to the execution of the works, nature and substance of the works, delivery dates);
- informing all of the personnel at the construction site and those in charge of the execution of the works (works manager, safety co-ordinator, site manager, etc.) of the appointment of CONTECO with a view to facilitating the fulfilment by CONTECO of its duties;
- informing CONTECO of the progress of the works and the end date of the works if different from that specified in the tender contract;
- informing CONTECO, upon signing the contract, of the details (address, telephone number, fax number, e-mail address) of the person(s) designated as the CONTECO point(s) of contact;
- paying CONTECO's fees on the terms and using the methods set out in the Specific Conditions;
- providing CONTECO, on completion of the works, with the relevant accounting paperwork, when required to calculate the outstanding balance.

## Article 8. WITHDRAWAL

Unless otherwise agreed in the Particular Conditions of Contract, the parties have the right to withdraw from the contract on condition that they provide 90 days' notice in writing.

In such instances, the CUSTOMER commits to paying CONTECO the amount due for the work done up to the time of withdrawal.

The fees for the services provided are calculated proportionate to the amount envisaged in the Specific Conditions, where:



C.I. = contractual amount for the appointment

D.C. = contractual duration of the appointment

P.E.E. = period of effective execution of the contract

Should the CUSTOMER withdraw from the contract without just cause, alongside the amount due for the services provided, calculated as above, it must also pay CONTECO a penalty of 15% of the entire amount indicated in the Specific Conditions.

#### Article 9. CONTRACT TERMINATION

The parties expressly agree that non-fulfilment of even one of the obligations set out in Articles 3 and 7 above will result in the termination of the contract in accordance with the terms of Article 1456 of the Italian Civil Code, with the consequent obligation on the defaulting party to pay compensation for the damage caused. The parties reserve the right to terminate the contract at any time with immediate effect by stating the intention in writing, should one of the parties be declared bankrupt or become subject to a bankruptcy proceedings. CONTECO shall not be liable for any delays in the carrying out of its duties or failure to carry out its duties, should the delay or failure be due to causes beyond CONTECO's control or due to unforeseeable events such as, for example (the list is not exhaustive): earthquakes, floods, wars, insurrections, acts of terrorism or vandalism. In the instances described above, payment will still be due.

#### Article 10. USE OF INFORMATION, KNOW-HOW AND INTELLECTUAL PROPERTY

Any technical information (meaning all types of technical or accounting information or documentation relating to this contract) that the CUSTOMER communicates or makes available to CONTECO or its auxiliary staff will be used exclusively to ensure the best possible execution of the duties covered by the contract. In any case, CONTECO acknowledges that any technical or commercial information that it may become aware of during the course of the contract is subject to commercial confidentiality. As such, CONTECO commits not to disclose said information to third parties without the prior authorisation of the CUSTOMER.

CONTECO commits to signing and having its auxiliary staff sign any confidentiality agreements that the CUSTOMER deems it appropriate to sign.

The CUSTOMER authorises CONTECO to provide directly to the designated insurance company all of the Reports covered by this contract and all the necessary information that may come into its possession in the process of



carrying out its duties. All of the Reports produced by CONTECO are and shall remain the property of CONTECO and constitute a part of its technical resources and expertise, of which the CUSTOMER acknowledges the value and commits to keeping confidential.

The CUSTOMER commits not to deliver the Reports of CONTECO to third parties without the prior written authorisation of CONTECO. It is acknowledged in any case that, even after the receipt of authorisation from CONTECO, the Reports may only be delivered in their complete, official version; extracts may never be used. CONTECO is registered trademark and subject to its protection. Any use is prohibited, except for any specific authorizations by CONTECO.

#### Article 11. COMMUNICATION

All communication between the parties in relation to the contract may be sent by fax, e-mail or post, with the exception of the communications referred to in Articles 7 and 8 above, which must be sent by registered letter. Communications delivered in person or sent by fax will be immediately effective, on condition that they are delivered during working hours or, if delivered outwit working hours, will be effective the next working day; communications sent by registered letter will be effective from the date of sending or receiving, depending on the party to which the relevant term applies.

#### Article 12. COMPLAINTS AND APPEALS

Any **complaints** about the service done by CONTECO Check S.r.l. must be received:

- Exclusively in writing no later than four months after the event that gave rise to the grievance or complaint;
- By fax or registered mail a / r directed to CONTECO Check S.r.l. - Via Sansovino, 4 - 20129 Milan – to the attention of Technical Director;
- Stating the reasons for the complaint and / or of the complaint and indicating the contact person in your organization to turn to and the fax number / address where to send communications.

CONTECO Check S.r.l. within 15 working days of receiving the complaint will notify the receipt of the same and the possible relevance or less than the role taken in the context of the related contract; then within the next 15 days will express in writing, by fax or registered mail a / r, its opinion on the matter.

Any **appeals** about the outcome of the inspections and for any other complaints about the method of operation of the activities envisaged in the contract (e.g. behavior of the inspectors, how to manage the practices, alleged unequal treatment, etc.) must be received:



- exclusively in writing no later than six months after the event that gave rise to the action;
- by fax or registered mail a/r directed to CONTECO Check S.r.l. - Via Sansovino, 4-20129 Milan – to the attention of Technical Director;
- stating the reasons for the complaint and / or of the complaint and indicating the contact person in your organization to turn to.

CONTECO Check S.r.l. within 15 working days of receiving the complaint will notify the receipt of the same and the possible relevance or less than the role taken in the context of the related contract; then within the next 30 working days express, exclusively in writing by fax or registered mail a/r, its opinion on the matter. Any costs and expenses for the activities of re-verification following the presentation of the appeal shall be borne by the applicant, except in cases of recognized merits of the action itself.

#### Article 13. EXCLUSIVE COURT

All disputes relating to the interpretation and/or execution of the contract or deriving from it shall be resolved exclusively by the Court of Milan.

#### Article 14. FINAL PROVISIONS

The contract is a trust deed and cannot be transferred. CONTECO is solely responsible in relation to the CUSTOMER. Any variation, integration or modification of the contract conditions must be agreed by the parties in writing. As there is not expressly provided, the relationship is governed by the provisions of the Civil Code and special laws.

#### Article 15. LANGUAGE

In the event of disagreement regarding the interpretation of the various language versions, it is acknowledged that the Italian version shall prevail over all others.

Milano, 25.09.2017