

GENERAL PURCHASE CONDITIONS

1. Subject and scope

These contractual provisions rule the relationship maintained between the SUPPLIER, the addressee of the purchase order, and FORGIATURA MORANDINI SRL, hereinafter referred to as FM. They are integral part of all its contracts finalized by acceptance of its purchase orders.

Also the foreword and the definitions are integral part of these conditions.

In the following general conditions, FM and the SUPPLIER are collectively referred to as the "PARTIES" and singularly as the "PARTY".

2. Prices and payment conditions

The price having validity for FM is, solely and exclusively, the one indicated in its order, accepted by the SUPPLIER.

The price indicated in the order is to be considered fixed and irrevocable as well as unchangeable.

The payment of the price, unless otherwise agreed in writing, shall be done according to the modalities established in the order accepted by the SUPPLIER.

The existence of entitlements, even if unestablished, after an adjudged dispute shall give FM the possibility to withhold or to balance payments.

The non-fulfillment of the payment obligation of the price as established in the accepted purchase order shall give rise, in favour of the SUPPLIER, to the right of claiming only the legal interest on the due amounts. FM is in any case allowed to delay the payments up to their suspension based on the emergence of problems in supply.

The non-fulfillment, even partial, of the payment obligation of the price by FM shall not give rise to the cancellation of the contract. This shall not take place even in case of facts involving FM so to invalidate its possibilities to pay.

If that occurs, the goods in progress or still to be consigned shall be submitted to new negotiation.

The payments with due date in the months of August and December shall be postponed to the 15th of the immediately following months.

3. Finalization of the contract, quality of the supply

- a) FM requires the supply of contractual goods by submitting a detailed purchase order; where applicable, the purchase of products, equipment, facilities and services will also be assessed on the basis of the impact of the supply on energy performance, environmental aspects and risks to workers' health and safety.
- b) The SUPPLIER accepts it by signing the purchase order for acknowledgement and by forwarding the document either by fax or by e-service.
- c) The relationship will be finalized solely and exclusively after receipt by FM of the written acceptance note, forwarded either by fax or by e-service. No further action will be necessary, since this confirmation shall be considered as valid and accepted at its receipt.
- d) The finalization of the contract annuls and replaces any previous agreement between the PARTIES having the same contractual subject.
- e) By finalizing the contract, the SUPPLIER accepts to supply the goods to FM according to the technical specifications indicated in FM's purchase order.
- f) The SUPPLIER as of now gives his broadest approval, also as regards the treatment of his own data contained in the relevant documents concerning the contract.
- g) FM does not consent nor authorize the SUPPLIER to perform any part of its own services by subcontracting them to third parties.

4. Non-assignability of the contract and of receivables arising from it

- a) The SUPPLIER is not allowed to assign the contract to third parties without the prior consent of FM.
- b) For the purposes of the provisions of this article any company controlling the assigning company or controlled by the same, as well as any company that together with the assigning company is under the control of the same other company, is considered as a third party with regard to the assigning SUPPLIER.
- c) Pursuant to and for the purposes of article 1260 of the Italian Civil Code, second paragraph, and without prior express consent from FM, the assignability of receivables, including compensatory damages, arising from the execution of the order to third parties is therefore excluded, since the SUPPLIER assumes specific responsibilities towards FM.

5. Completeness of the order and validity of these conditions

- a) FM's purchase order is considered as exhaustive and complete and the relationship shall be finalized without the possibility of unilateral amendment following to the receipt and written acceptance by the SUPPLIER.
- b) These general contract conditions are applied to each submitted purchase order either concerning individual supplies or also a plurality of relationships with the SUPPLIER.

Every and any other condition differing from these conditions, even if verbally agreed with individuals related to FM, will be vitiated by irremediable nullity, without the express written acceptance thereof, signed by its legal representative.

6. Confidentiality

- a) During the lifetime of the relationship between the PARTIES and for the two (2) years following the expiry date and/or early termination thereof for any reason, each PARTY undertakes not to disclose any information regarding the scope of supply without express consent of the other PARTY, except for the data, information and notices, which by their nature must be disclosed or communicated to third PARTIES in order to perform or finalize the matters relating to the services which they cover.
- b) In any case FM is entitled to mention the SUPPLIER, the product sector and the territory, in which it operates, in its advertising and/or for promotional purposes.
- c) The SUPPLIER is entitled to notify third parties that the scope of supply is ensured by FM, but keeping confidential the technical, economic and commercial details thereof.
- d) All drawings and technical documents or other technical information being disclosed by one PARTY to the other during the course of the supply are considered as confidential and hence protected by confidentiality, therefore the only permitted use is the scope of supply, and they will remain property of the contractual party that made them available.
Consequently the technical documentation and the drawings used may not, in any way, be reproduced. The technical information, which may be shared in order to allow the execution of the supply shall not find any use or subsequent use without express written informed consent.

7. Notifications

- a) Any notification between the PARTIES, relating to the supply, shall be forwarded in writing.
In particular the SUPPLIER shall address any notification to:
FORGIATURA MORANDINI SRL, via dell'industria 5, 25040 Cividate Camuno (BS), Italy.
- b) The SUPPLIER shall promptly notify FM any variation of the address, including the e-mail-address, stated at the time of the finalization of the contract.

8. Delivery terms and penalty clauses

- a) As regards terms of delivery reference is made to those provided by the INCOTERMS in force at the time of the finalization of the contract.
- b) The delay, if exceeding a period of three days or, with regard to the order the normal tolerability thereof, shall entitle FM to cancel, rescind or reduce the order, and at the same time claim for damages and for a penalty payment equal to 5 % of the order value to the account of the SUPPLIER. If both PARTIES agree, the delivery term is considered to be extended only in case of measures that refer to contractual disputes (i.e. strikes or lock-outs) and in case of impediments independent from the will of FM. It is the SUPPLIER's duty, upon advance knowledge of impediments regarding the receipt of the goods at its premises, to notify FM indicating the new and reasonable delivery date thereof.
- c) In case FM detects damage on the goods upon delivery, it undertakes not to unload the goods and to promptly notify the problem to the SUPPLIER in order to agree upon the best possible action to minimize the damage, unless FM decides to rescind the contract due to non-fulfillment by reason of the extent and typology of the damage.

9. Inspection. Exception for raw materials

The supplied goods have to be necessarily inspected by FM upon the receipt at its premises. In case of negative result of the inspection, the goods shall be rejected returning it to the SUPPLIER and obligation to indemnify at the expense of the SUPPLIER.

An exception to this rule is the supply of raw materials that will be inspected at the time of their use, however within a maximum of three years from delivery.

10. Exclusive equipment properties

All equipment used or produced in order to properly perform the supply shall remain exclusive property of the SUPPLIER.

11. Dual Use

Pursuant to and for the effects of all legislation in terms of "dual use" of the supplies, Forgiatura Morandini expressly declares that the tendered goods are intended for civil purposes only.

Only in case the supply of goods according to the rules of "dual use" is required, FM shall actuate, only if rewarded, the authorization process towards the competent authority whereas the expenses and costs shall be charged to whom foreseen by law.

12. Time limits for the notification of defects and extension of warranty for the supply of raw materials

- a) The time limits for the notification of supply defects are provided for by the sector regulations and by the Italian Civil Code. An exception to this rule is made in the case of supply of raw materials, due to their storage times. In this case the guarantee provided by the supplier shall be three years from the date of delivery of the materials to the factory.
- b) The notification will have to contain a description of the defects.
- c) The SUPPLIER shall also be responsible for any defect attributable to the material provided.
- d) As a matter of priority, the PARTIES shall try to agree on possible solutions.

13. Obligations and responsibilities

- a) The SUPPLIER has the obligation to manage the order in line with a quality assurance system according to ISO 9001:2008. The certification must be categorically attached to the goods. Furthermore the SUPPLIER must provide FM, besides the goods, with an adequate technical project giving proper indication of the material and exhaustive technical specifications for the supply, while assuming all responsibility in case of inadequacies of said documents.
- b) FM shall be liable for the conformity of its own requests, with the indications given in its purchase order and with the provisions of these general rules of purchase.
- c) The SUPPLIER guarantees that its requirements and its design guidelines do not violate the copyright of others, the rights of invention or patents of other individuals assuming, if necessary, any responsibility with indemnity at first demand from FM.
- d) The completeness of the accepted order excludes contractual or legal requirements that are not expressly indicated.

14. Force majeure

- a) FM shall not be responsible for any non-fulfillment due to cases of force majeure or, however, to any case beyond its own activities.
- b) Cases of force majeure are, as a non-exhaustive example:
 - laws, rules or injunctions of entities that exercise authority or control on the subject-matter of the contract;
 - measures taken by public authorities that make the fulfillment of the obligations FM has accepted completely or partially impossible;
 - strikes of a national character and/or of local categories and/or other events, however independent from the will of the PARTIES.
- c) If a case force majeure causes the suspension of obligations of one PARTY, as stated above, that PARTY shall notify the other PARTY within 5 (five) working days after the event, specifying the effective date and the foreseen duration of the total or partial suspension as well as the nature of the force majeure.

15. Privacy

- a) FM undertakes to process the personal data of the other PARTY and, however, those acquired in implementation of the cooperation in accordance with Legislative Decree no. 196/2003.
- b) FM assumes the responsibility for processing the above mentioned personal data and it shall fulfill all obligations and actions foreseen by Legislative Decree no. 196/2003 as responsible controllers, where required by law.

16. Applicable law

Except where otherwise provided for in these general contract conditions, the PARTIES expressly refer to the contents of the provisions of the general and sectoral legislation of Italy.

These general contract conditions as well as the single contracts are, however, ruled by the Italian law.

17. Address for service

The PARTIES indicate as address for service, for all intents and purposes of the contract, their own legal head office.

18. Competent court

Any commercial dispute that may arise between the PARTIES with regard to the interpretation, implementation, validity, efficiency and dissolution of the contract and its annexes, shall be settled exclusively by the Court of Brescia.

THE SUPPLIER

The supplier expressly and dually accepts the following articles of the General Contract Conditions:

Art. 2 Price and payments; **Art. 3** Finalization of the contract, quality of the supply; **Art. 4** Non-assignability of the contract and of receivables arising from it; **Art. 6** Confidentiality; **Art. 8** Delivery terms and penalty clauses; **Art. 9** Inspection. Exception for raw materials; **Art. 11** Dual Use; **Art. 12** Time limits for the notification of defects and extension of warranty for the supply of raw materials; **Art. 13** Obligations and responsibilities; **Art. 15** Privacy; **Art. 16** Applicabile law; **Art. 18** Competent court.

The SUPPLIER
