

ITEMA S.p.A. GENERAL TERMS AND CONDITIONS OF PURCHASE

1) General information

1.1 These General Terms and Conditions of Purchase (hereinafter also referred to as the Terms) apply at all times whenever ITEMMA (hereinafter also referred to as the Purchaser) purchases and receives any goods or services (hereinafter also referred to as the Products). The "General Terms and Conditions of Purchase" set forth herein shall be construed to all intents and purposes as an integral part of the order. Any other terms and conditions stipulated by the Supplier (hereinafter also referred to as the Vendor), including its own terms and conditions of sale, which are found to be inconsistent with or in addition to these General Terms and Conditions of Purchase, shall not be considered valid unless expressly agreed in writing between the Parties. The contractual relationship resulting from the completion of the order shall be governed by these Terms and the specifications indicated in the order, as well as, where applicable, by any general or special specifications drawn up by ITEMMA concerning the performance of the order and made known to the Supplier. The Supplier may not, therefore, rely on nor object to any terms and conditions other than those expressly contained herein or made in writing as required by ITEMMA. Consequently, any additional terms and conditions specified by the Supplier in writing on its offer or otherwise indicated on its brochures, catalogues, publications, drawings, invoices, attachments to the order, confirmation of order or offers shall not be considered valid.

1.2 ITEMMA may send its order by e-mail, fax, EDI or post. Upon receipt of the order, the Supplier shall send the Purchaser its confirmation of order within 5 working days. After said time – or in the case of acceptance of the order – the order itself and these Terms shall be deemed to have been tacitly accepted by the Supplier. In particular, the payment terms, delivery date and prices are to be indicated in all order documents. Any total or partial revocation of orders for the Products shall not make ITEMMA liable for any refund or compensation to be paid to the Vendor.

1.3 The order and/or its performance, as well as the corresponding amount payable, may not be sold or transferred to third parties by the Supplier, not even partially, without ITEMMA's express written consent.

1.4 The Supplier acknowledges that he does not enjoy any exclusive rights and therefore ITEMMA may also use other suppliers to source the Products.

2) Technical Information and Confidentiality

2.1 The Technical Information (by this we mean any information, technical or technological documents, models or samples made available to the Supplier for the design, testing and development of the object of the order, its prototypes or production equipment) shall remain the exclusive property of the Purchaser and may be used only for the performance of ITEMMA orders.

With regard to the use of the said Information, even after the termination of its supply relationship with ITEMMA, the Supplier is required:

- a)** to keep the Information strictly confidential and return the same to the Purchaser upon its request, even without prior notice;
- b)** to distinguish the Information as the property of ITEMMA, not to reproduce or copy the same unless expressly authorised to do so by ITEMMA and not to transmit or disclose the contents to any third party; not to apply for any patents or other form of industrial property rights and should, in any case, such an application have been made, the resulting rights shall be recognised as the exclusive property of ITEMMA;
- c)** not to produce items or have the same produced by third parties, for any reason, whether directly or indirectly, for its own productive use by using the aforementioned Technical Information;
- d)** to enforce and ensure compliance with the obligations under these Terms by any third party involved in production, who has been authorised by ITEMMA to provide the aforementioned Information as part of the performance of the order.

2.2 All data and information, whether technical or commercial, designs, materials, components, samples and processes (collectively referred to as the Information) belonging to the Purchaser and of which the Supplier has, in any way, gained knowledge or possession during the course of the relationship between the Parties or in every other way, shall be kept strictly confidential. As a result, the Supplier shall treat such Information as confidential, shall not disclose the same to third parties and shall not use the same for purposes other than those required by the relationship between the Parties and shall ensure that its employees, consultants

and collaborators shall do so also. All trademarks, patents and any other intellectual property rights belonging to the Purchaser shall remain the property of the same.

3) Specific equipment

3.1 Any equipment that ITEMA may make available to the Supplier for the performance of the order shall remain the exclusive property of the Purchaser: the Supplier shall be held liable for its loss, destruction, damage or seizure as the result of any misconduct or negligence attributable to the Supplier.

The Supplier therefore undertakes:

- a)** to arrange for adequate insurance cover against fire, theft, vandalism, natural disasters, tampering and any other insurable risk of loss or damage;
- b)** to store and use the equipment with the utmost care and to provide, at its own expense, for routine maintenance;
- c)** to notify ITEMA, with the utmost urgency, of any need for extraordinary repairs, replacement or revamping, it being understood that any final decision on the matter shall be made by ITEMA, as well as it being understood that ITEMA shall bear the cost thereof, unless such intervention is attributable to the Supplier, in which case the costs shall be borne by the latter;
- d)** not to move the equipment outside its premises, unless with ITEMA's prior approval;
- e)** to allow ITEMA staff to check the state of the equipment and its upkeep;
- f)** not to transfer the equipment to any third party;
- g)** not to use the equipment or allow third parties to use it for any purpose other than the performance of the order or for the production of spare-parts for ITEMA;
- h)** to comply with any instructions from the Purchaser regarding its upkeep, recall or scrapping;
- i)** to return it immediately to ITEMA's domiciled address upon request;
- l)** to relieve ITEMA of any liability or claims for damages that arise as the result of any loss caused by the use of the said equipment and, for this purpose, the Supplier shall ensure that its personnel are correctly informed and trained to use ITEMA equipment. In this regard, ITEMA, through its specialised staff, shall provide the Supplier with all the necessary information for the purpose of performing the service, with particular reference to that relating to compliance with health and safety procedures and regulations (former Legislative Decree 81/08), including, where necessary, the drafting of a risk assessment document (DUVRI). Last but not least, the Supplier undertakes to provide ITEMA with all the information necessary or merely useful to ensure that all activities comply with current regulations and ITEMA procedures, as well as any forms prepared by the same (by way of example and without limitation: information and documents regarding welfare contributions, tax, VAT, safety in the workplace, etc.).

3.2 With regard to any specific equipment owned by the Supplier that the same may have produced for the production of the ITEMA Products, the Vendor agrees to sell the same specific equipment to ITEMA upon request, at a price equal to its residual value upon termination of the supply relationship and upon receipt of a simple request from ITEMA.

4) Delivery

4.1 Unless otherwise specifically agreed in writing, for the purposes of compliance with the terms of delivery and the transfer from the Supplier to ITEMA of all risks for the goods, delivery of the ordered goods shall take place at the time of delivery of the goods at the ITEMA warehouses, i.e. DDP (c.f. INCOTERMS 2010).

4.2 As part of a delivery schedule, to be communicated by ITEMA, or in the light of a set delivery time, the delivery terms and schedules are binding and essential, meaning that, unless otherwise agreed between the Parties in writing, ITEMA is authorised to return any supplies received before the agreed term at the expense and risk of the Supplier or to charge the latter for any storage costs incurred.

In the event of late delivery not due to force majeure, ITEMA shall exercise, at its own discretion, one or more of the following rights:

- a)** to demand full or partial performance of the order and apply a penalty equal to 2% of the price for each day's delay for those quantities not delivered within the agreed period, up to a maximum of the total value of the goods;
- b)** to source the ordered goods, in whole or in part, from other suppliers at the Supplier's own expense and risk, informing the Supplier of its intention to do so;
- c)** to terminate, with immediate effect, the existing supply relationship with the Supplier by means of a simple written notice in accordance with and for the purposes of Article 1456 of the Italian Civil Code.

The above notwithstanding, in any case, ITEMA shall retain its right to claim damages for any further incurred losses.

4.3 In the event that performance of the order is prevented by proven instances of force majeure, the delivery date shall be deemed extended, providing that ITEMA agrees, and the new date will be agreed upon by both Parties, provided that the Supplier has informed ITEMA promptly in writing of the circumstances and has taken all possible action to limit their effects.

4.4 Should the Supplier decide to discontinue production of one or more Products, he shall immediately inform the Purchaser of its decision and in any case provide at least 12 months' notice, agreeing the Last By Order with the Purchaser.

4.5 ITEMA shall have no obligation to purchase nor any liability for Products that may be supplied in excess of the quantity specified in the order, even if these have already been provisionally stored in ITEMA warehouses.

ITEMA shall, therefore, have the right to return any such surplus goods at the Supplier's own expense and risk.

5) Fitness for the purpose, warranties and defects

5.1 The Supplier guarantees that it shall comply with all current and future Italian and EU regulations applicable to the Products and its field of business, with specific though not exclusive reference to health and safety laws, employment law and trade union law, as well as all the existing provisions relating to employee taxation and social security.

5.2 The Supplier warrants the quality of the Products, the safety of its production process and the fitness of the Products for their intended use.

5.3 The Supplier shall prepare and give to the Purchaser all the relevant technical documentation and information, including any developed subsequent to delivery, relating to the Products and to its processes/production parameters. The ordered goods shall, therefore, be supplied complete with all the technical documentation for their use and maintenance, as well as any certificates which may be requested and/or necessary.

5.4 The Supplier warrants that the Products are free of defects, conform to the promised quality, are fit for their intended purpose and comply with any other technical specifications from time to time agreed between the Purchaser and the Supplier, as well as, on a more general note, with the strictest quality standards for that kind of product. The Supplier further warrants that the Products to be supplied correspond to the agreed characteristics and specifications, that the materials used are free from faults or defects, including latent defects, and that all production processes have been carried out in a workmanlike manner and in accordance with the most modern technologies.

ITEMA also reserves the right to verify at source that the purchased Product conforms to its requirements. Said verification does not relieve the Supplier from its liability to provide acceptable Products nor does it exclude any subsequent rejection as specified in the UNI standards.

5.5 In the event that any defects and/or non conformities are found in the Products, the Purchaser shall give the Supplier written notice of the same, specifying its reasons for objection, within thirty days of receipt in the case of apparent defects or from discovery in the case of not evident defects. Reports of faults and/or defects shall be deemed finally accepted by the Supplier if they are not opposed within eight days of the Supplier's receiving ITEMA's written notice of the same. If the goods received are rejected, all the expenses of re-packing, re-loading and re-shipping shall be borne by the Supplier, who must provide details of the return address and methods.

5.6 The Vendor shall replace/repair any defective or non-conforming Products promptly and at no extra cost, bearing all the costs of collection and delivery of the Products and all costs incurred by the Purchaser for any selection, reprocessing, reworking or other activities needed to restore the quality levels required of such Products. The Purchaser shall, therefore, charge the Vendor for any such costs, including materials and any labour involved in such operations, by means of a debit note.

5.7 All Products shall be covered by a 24-month warranty unless otherwise agreed in writing, said warranty to have effect upon delivery to ITEMA.

5.8 The Vendor also undertakes to relieve the Purchaser of all liability, even after the aforementioned warranty period, for any losses or expenses that might arise directly or indirectly as a result of defects or non conformities in the Products and which may, by law or EU standards, be regarded as the manufacturer's own responsibility.

5.9 Delivery of Products to ITEMA staff does not, in itself, indicate the acceptance thereof, this remaining subject to checks on the state, quantity and quality of the goods, including any obvious defects or non conformities. Such checks shall be the sole responsibility of ITEMA's quality control departments, whose final decision upon the acceptance of the goods concerned shall be binding. The timing and procedures for performing said checks are those foreseen in Subclause 5.5 above and may not constitute grounds for any forfeiture by ITEMA of its right to submit complaints.

5.10 The Supplier undertakes to inform ITEMA expressly in writing of any risks posed by the ordered goods, in order to avoid any accident or damage. Should the Supplier fail to do so, it shall assume sole and direct liability for any damage or injury caused to persons or property.

6) Prices

6.1 The prices indicated in the order are fixed and not subject to changes of any kind unless otherwise agreed in writing between the Parties.

7) Delivery documents, packaging, identification of materials, invoices and payments

7.1 The delivery documents must contain the following information: order number, ITEMA material code, Vendor code (if any), description of the goods, unit of measure and quantity.

7.2 The packaging must satisfy the following specifications: different packaging is required for different codes (e.g. different codes should not be packed in the same cage) and any containers used shall be suitable in size and weight for the goods to be contained in them. Containers must be easy to handle and transport and also be recyclable and free from substances posing a health risk, in accordance with current regulations.

7.3 The minimum information in order to identify and trace the goods supplied – and which must be present on every pack – includes: Supplier's name, ITEMA code, description, quantity, number of packages containing the same codes and the number of the Supplier's transport document. The Supplier shall, in any case, adhere to ITEMA's operating instructions for the specific Product (if any) with regard to packaging and identification. Otherwise, and in any case, the Supplier shall ensure that the Products are suitably packaged in order to avoid any kind of damage during transit and during loading and unloading. ITEMA shall charge the Supplier for any extra costs arising from damage to the Products caused by improper packaging.

7.4 Invoices must contain all the details indicated on the delivery documents, including the delivery document number, and be addressed to and sent to ITEMA S.p.A., Via Cav. Gianni Radici 4, COLZATE (BG), ITALY.

7.5 ITEMA shall effect payment in the manner and on the date agreed, subject to the receipt of the duly completed documents provided for in the preceding subclauses and, more generally, provided that the Vendor has exactly fulfilled all its obligations as set forth in the order and in these Terms, without prejudice, in any case, to the Purchaser's right to take legal action. Particular reference is made to the document drawn up by ITEMA in connection with client/contractor liability regarding safety and employment law and which forms an integral part of these Terms.

7.6 Without prejudice to Subclause 7.5 above, in the event that one or more lots are found to contain a percentage of defective or non-conforming goods above the tolerance limit (if agreed), ITEMA shall have the right to freeze payment of an amount equal to the price of that consignment regardless of the total amount payable to the Supplier until the latter replaces the lot or items in question.

ITEMA shall, in any case, have the right to claim any additional damages for any losses it may suffer as a result of any defects and/or late delivery.

8) Spare-parts

8.1 The Supplier shall ensure that the Products and their components are made available as spare-parts for at least ten years from the time of each purchase by ITEMA.

9) Environmental impact

9.1 The processes and materials used for the Products to be supplied to ITEMA should be environmentally friendly and comply with current environmental standards.

10) Insurance

10.1 The Supplier undertakes to take out an appropriate insurance policy to cover any losses due to "Product Liability" and damage during transit, including that arising from any defective or insufficient packaging; said policy to be shown to ITEMA upon request.

11) Jurisdiction and applicable law

11.1 All supply contracts, even if entered into with foreign suppliers and for materials coming from abroad, shall be governed by the Law of Italy or, at ITEMA's sole discretion, by the law of the state where the headquarters of the ITEMA branch making the purchase order lie. The place of jurisdiction for any dispute shall be exclusively that of Bergamo or, in the case of the supplies requested by foreign branches, the court of the place in which the ITEMA foreign branch has its registered office, without this prejudicing ITEMA's right to bring an action in the place where the Purchaser has its domicile or residence. Application of the provisions of the 1980 Vienna Convention and the Hague Convention relating to contracts for the international sale of goods is hereby excluded.

12) Certificate of origin

12.1 At the time of each delivery of a new Product, the Supplier undertakes to send ITEMA a certificate of origin for the goods and to renew said certificate whenever this expires. Should the Supplier fail to do so, the Purchaser shall be entitled to terminate the supply relationship immediately, without prejudice to its right to claim compensation for any losses, including any penalties arising from the failure to send a certificate of origin.

13) Privacy

13.1 In accordance with Italian Legislative Decree n° 196/03 ("Privacy Code"), the Parties declare that they have informed each other that the personal data collected for the formalisation of this contract and the orders are processed in the Customers/Suppliers archive and are necessary for the proper management of their civil and fiscal obligations. Said data may also be processed for the purposes of management, statistics and commercial activities. The owners of the respective data also expressly declare that they are aware of the provisions of Article 7 of the aforementioned Decree.

14) ITEMA S.p.A. Regulations, Code of Ethics and Model of Organisation, Management and Control

14.1 This contractual relationship entered into between the Parties shall be based on the principles of legality, transparency, fairness, honesty and integrity, in line with the provisions of the company Code of Conduct and the Model of Organisation, Management and Control adopted by ITEMA S.p.A., which may be consulted on the corporate website (www.itemagroup.com). More specifically, the Supplier guarantees its best performance of the order issued by ITEMA, in compliance with applicable law, including, by way of example and without limitation, employment, environmental and health and safety laws. Any reports of a breach of said regulations and the aforementioned Model can be sent to the following e-mail address – odv@itemagroup.com – following the "Report Procedure" indicated on the company website. If, in the performance of the contract, the Supplier should adopt any behaviour that is not in line with the aforementioned principles and standards, ITEMA shall be authorised to take appropriate measures, even including the termination of the contract and claiming damages.

ITEMA S.p.A.

IN ACCEPTANCE
THE SUPPLIER

In accordance with and for the purposes of Articles 1341 and 1342 of the Italian Civil Code, the Supplier hereby expressly approves the following clauses (and any related subclauses): 1.1, 1.2, 3.1, 4.2, 5.1, 5.4, 5.5, 5.6, 5.8, 5.9, 5.10, 7.5, 7.6, 8.1, 11.1 and 14.

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IN ACCEPTANCE
THE SUPPLIER
