

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. PREMISE AND DEFINITION.

1.1. These general terms and conditions of purchase make an integral part of the orders committed by Gamma Meccanica SPA to the Supplier and are applied to the relative relationships unless otherwise specified in particular conditions of the order.

1.2. For the purposes of the regulations stated in these conditions and those particular ones of the order, the terms indicated below regardless of their use as singular or as plural assume the meaning as specified below:

"Purchasing Department": the purchasing department of GAMMA MECCANICA SPA that issued the order.

"Confidential Information": all information of whatever nature (commercial, financial, technical, operational, managerial, administrative, legal, etc.) and in whatever form (written or oral, in visual or electronic format, on paper, magnetic or digital devices, without any exclusion), therefore, including but not limited to data, know-how, design, models, schemes, formulas, projects, procedures or processes, images, files, archives, databases, software and related source codes, materials, material samples, products, equipment and all related technical and functional specifications, of which the Supplier should become aware either before or after the date of signing of the order, directly or indirectly, also by accessing the documentation and/or goods of any kind supplied, following the interviews that have taken place or during the execution of the related activities, connected or subsequent to the order, regardless of the fact they have been specifically identified as "confidential", "reserved", "privileged" or "price sensitive".

"Production Unit": headquarters, departments, offices, factories and other production facilities of Gamma Meccanica SPA.

1.3. The references to regulatory sources of any grade mentioned in these conditions shall be understood as made to the texts valid at the time of application of the regulations contained in them.

2. CONCLUSION OF A CONTRACT.

2.1. Together with the order GAMMA MECCANICA SPA will send, exclusively through the Purchasing Department, any technical documentation necessary for the order execution.

2.2. Unless otherwise specified, the order must be accepted by the Supplier within 2 days from the date indicated on the order itself by giving back to the Purchasing Department a copy of the order (or acceptance form) and technical documentation duly signed on each page or by signing the electronic order with a digital signature. The contract between GAMMA MECCANICA SPA and the Supplier will be considered to be concluded only upon receipt of these documents by GAMMA MECCANICA SPA. It is forbidden for the Supplier to execute the contract before having returned to GAMMA MECCANICA SPA the duly signed order and, moreover, in the bottom of the note related to the specific approval as per Art. 1341 and 1342 of the Civil Code, in the manner and terms established in these conditions or indicated in the order itself.

2.3. All the quantities, dimensions, types, prices or fees and indications of any kind inserted in the offer by the Supplier, as well as all the related technical and economic information acquired by the Supplier in written or verbal form during the negotiations, shall have the only purpose to allow the parties a better understanding of the specifications of the request and/or offer. The above mentioned information cannot be assumed in any way as parameters or reference values for future and possible feedback or economic claims.

2.4. The Supplier acknowledges that the variations and/or modifications of the orders, as well

as their issue, remain exclusive responsibility of the Purchasing Department. The Supplier will not conduct negotiations or undertake commitments with parties other than the above mentioned Purchasing Department.

2.5. Any negotiation undertaken by the Supplier in violation of the paragraph 2.4. will be unenforceable for GAMMA MECCANICA SPA; any charges assumed will be charged to the Supplier.

2.6. In any case, GAMMA MECCANICA SPA will not recognize and will not execute requests for payments for the orders not issued directly by the Purchasing Department.

2.7. The Supplier undertakes to promptly notify the Purchasing Department of all changes to their personal data, including if they use for the order execution a tax position different from what is referred to as the head office of the business or communicated at the time of making the order (e.g. permanent establishment in Italy).

2.8. The Supplier is exclusively responsible for the fulfilment of the obligations towards the Italian Authorities related to their direct or indirect presence and/or carrying out of activities on the territory of Italy.

3. ORDER MODIFICATION.

3.1. It will be up to GAMMA MECCANICA SPA, however in due time, to make the modifications to the order content they consider in their sole discretion to be necessary.

4. DELIVERY OF GOODS.

4.1. The place of delivery of the goods will be the Production Unit or another place specified in the order.

5. SHIPMENT.

5.1. The shipment of the goods subject to supply will be executed, delivery of the goods DDP at the place indicated in the order. Special conditions if contained in the order must be respected; in the absence of special conditions the most appropriate methods must be used, subject to notification to the Competent Authority.

5.2. The Supplier shall give a prompt notice of the shipment to the Competent Authority. Each shipment must be accompanied by a copy of the transport document complete with the references to the order and the list of packages, as well as the list of the goods contained in the relative quantity and weight (based on the unit of measurement fixed in the order) and all the additional information prescribed by the order. Should the transport document present any deficiencies, errors or omissions that do not allow to identify the goods in a unique/punctual manner or to bring them back to a specific order, GAMMA MECCANICA SPA reserves the right in their sole discretion not to take charge of the assets in question.

5.3. GAMMA MECCANICA SPA will not take charge of the goods delivered earlier than it has been agreed or in excess of what has been prescribed in the order, unless otherwise agreed in writing.

5.4. GAMMA MECCANICA SPA reserves the right to receive in their sole discretion the goods subject to premature delivery or delivered in excess. In this case expenses for storing and proper preservation of the goods as well as the risk of deterioration and/or destruction will be borne by the Supplier.

5.5. The delivery of the goods is understood to be made under the FCA conditions (Incoterms 2010) for any goods coming from EU countries or anyway already released for free movement in the European Union, and under the DAP conditions (Incoterms 2010) for the goods coming from countries outside the EU or anyway still subject to customs clearance. It is implied that the delivery must be made to a storage or another place indicated to the carrier by the receiving personnel. For the goods sold by EU suppliers and coming from EU countries other than Italy, there must be specified the Combined Nomenclature code TARIC in the invoice. The supplies of the origins other than the Supplier's country as indicated in the order header must be anticipated at least 10 (ten) days earlier, be sent by fax to the place of delivery of the goods indicated in the order, to the Purchasing Department as well as to the delivery address of the invoices indicated in the order, containing the information and documents necessary for

the correct logistic management and eventual customs duties; despite all the Supplier's exclusive responsibility for the fulfilment of the charges assumed, any additional charges for GAMMA MECCANICA SPA deriving from the origin of the supply other than the Supplier's country will be charged to the Supplier.

5.6. In case if the goods are not of EU origin and are not released for free movement, the invoices must be accompanied by the Certificate of origin or the EU Goods Movement Certificate.

5.7. The goods must comply with the applicable EU and Italian regulations.

5.8. In case if GAMMA MECCANICA SPA does not have to take charge of the goods they will be rejected, and all the related risks, charges and expenses will be charged to the Supplier. Any expenses incurred by GAMMA MECCANICA SPA for returning the goods will be charged to the Supplier.

5.9. The additional expenses that may arise for GAMMA MECCANICA SPA from the failure to comply with the provisions of the present article 5 will be charged to the Supplier.

6. ACCEPTANCE OF GOODS.

6.1. The delivery of the goods to the receiving personnel does not mean their acceptance. The acceptance will take place only when having positive results of the verification of the compliance of the delivered items with the order and absence of imperfections or defects. It will be up to GAMMA MECCANICA SPA to report to the Supplier, even after receipt and regardless of the eventual payment of the relative invoices, non-conformity of the goods delivered or presence of faults or defects according to the order, according to what is prescribed in art. 11. In this case the Supplier will undertake in due time, considering work planning requirements of GAMMA MECCANICA SPA, to eliminate non-conformity and to replace the goods affected by imperfections or defects.

6.2. In case if the order foresees that the goods must be installed, assembled or anyway put into action with an additional service besides the supply itself, the delivery will be considered to be performed only upon completion of installation, assembly or commissioning. If these operations do not ensure full functionality of the goods as prescribed in the order, the provisions of the paragraph will be applied.

6.3. In case if the order requires delivery in several lots, it is implied that the fulfilment derives in any case from the full execution of the order. For individual delivery terms will be applied the provisions stated in art. 7 of the present document.

7. DELIVERY TERMS – PENALTIES.

7.1. The delivery terms both final and intermediate, for the goods agreed and indicated in the order and in any other contractual documents, shall be considered mandatory.

7.2. In case of non-compliance with the above mentioned terms not justified by force majeure, a penalty equal to 3% of the total payment indicated in the order may be applied for each week or part of a week of delay up to the maximum of 18%, unless otherwise specified in the order. In case if the delay is extended beyond the fourth week compared to the date fixed for delivery or for other contractual obligations, it is up to GAMMA MECCANICA SPA to declare the contract to be terminated, having the right to acquisition of the penalties already accrued and to compensation for any further damages.

8. COMMISSIONING.

8.1. The Supplier acknowledges the possibility that the goods subject to the order might be tested. The commissioning must be carried out by the Supplier according to the standards set by the law, in compliance with all applicable rules, regulations and procedures.

8.2. The Supplier bears all the expenses related to the tests, including those incurred due to any repetition.

8.3. GAMMA MECCANICA SPA officials will have the right to attend the commissioning tests, eventually also accessing workshops and factories of the Supplier.

8.4. The performed test must be proved by the Supplier. If failed the test, the goods will be considered as having no essential qualities for the use they are intended for, with the

consequences set in art. 1497 of the Civil Code.

8.5. Regardless of the prescribed tests, GAMMA MECCANICA SPA reserves the right to verify, at any time and with the systems they find the most appropriate, the correspondence of the goods to the order conditions.

9. RIGHT OF INSPECTION.

9.1. To check the progress and quality of the work necessary for the fulfilment of the order, the Supplier must - despite all their responsibility in this regard - allow the delegates of GAMMA MECCANICA SPA and any customers of this company to freely access their workshops and factories.

9.2. The delegates referred in the paragraph 9.1. will have the right to perform all the tests they find appropriate in order to verify the correspondence of the goods subject to the supply to the conditions of the order.

9.3. The expenses incurred for the tests will be borne by the Supplier.

10. TECHNICAL DOCUMENTATION.

10.1. The Supplier undertakes to deliver all the technical documentation related to the supply to the Purchasing Department within the time period fixed in the order.

10.2. In case of non-delivery of the technical documentation within the time period fixed in the order, the Supplier may be charged a penalty equal to 0.05% of the total amount foreseen in the order for each day of delay up to the maximum of 4%.

11. PRODUCT LIABILITY AND WARRANTY.

11.1. The Supplier guarantees to GAMMA MECCANICA SPA the correct execution of the supply, regarding technical and operation data as well as the quality of the materials used, manufacturing and operation of each part of it and of the whole.

11.2. Such a guarantee will expire after the time period granted by GAMMA MECCANICA to the end customer, starting from the delivery date at GAMMA MECCANICA for the end customer for whom the supply is intended.

11.3. As a result of the above mentioned guarantee and following the explicit request of GAMMA MECCANICA SPA or of the end-client, the Supplier will undertake to intervene immediately or in any case not later than within 5 working days to the Production Units or elsewhere in order to repair or replace at their own expense in the shortest possible time the goods that might reveal imperfections or discrepancies, provided that they have been reported within 30 days from the date they were discovered.

11.4. The repaired or replaced parts will be covered by a warranty under the conditions prescribed for the supply in paragraph 11.1 for a duration equal to what is stated in paragraph 11.2 starting from the date when the repaired or replaced part is delivered.

11.5. In case if the Supplier does not perform in time the elimination of imperfections or discrepancies, GAMMA MECCANICA SPA will have the right despite any other right to perform it directly or through third parties with no need for further notification, and to charge the related expenses to the Supplier not performing their duties.

11.6. In case if an urgent matter occurs, even before having reported imperfections or discrepancies, GAMMA MECCANICA SPA will have the same rights and faculties mentioned above.

11.7. In case if GAMMA MECCANICA SPA is called responsible for the defects, any time they were revealed, of a product that the Supplier assembled or made their own suppliers assemble, GAMMA MECCANICA SPA will make a recourse action against the Supplier to whom the defectiveness of the assembled component is imputed.

12. SUBSTANCES/ MIXTURES/ PRODUCTS/ MATERIALS SAFETY.

12.1. The Supplier explicitly guarantees to GAMMA MECCANICA SPA correspondence of the materials supplied to the current regulations on product safety, in particular, compliance with the conditions of Regulation (EC) n. 1907/2006 (REACH), Regulation (EC) n. 1272/2008 (CLP) and Legislative Decree 81/08.

12.2. With reference to TITLE IX - "Dangerous substances" of Legislative Decree 81/08 on the protection of chemical agents, carcinogens and mutagens, all the products and materials supplied - whose composition requires presence of the substances or mixtures classified under current legislation as chemical agents, or which although not being classified as dangerous expose to risk due to their physical-chemical, chemical and chemical technological properties - must be accompanied by the list of products and materials containing chemical agents that compose the scope of the order and related Safety Data Sheets corresponding to the current legislation.

12.3. The Safety Data Sheets must be delivered or sent by electronic media together with the arrival of the goods to the Production Unit.

12.4. If for any reason, also upon request by GAMMA MECCANICA SPA, after the order has been issued and before the goods are delivered, the products and materials subject of the order need to be replaced and/or undergo changes such as to change their "classification for the purpose of assessing working and environmental risks ", with particular reference to the "Risk Phrases" H340 (formerly R46; formerly R47), H341 (formerly R68), H350 (ex R45), H350i (ex R49), H351 (ex R40), H360D (ex R61), H360F (ex R60), H362 (ex R64), H370 (ex R39) and H372 (ex R48) according to Regulation (CE) n. 1272/2008, the Supplier undertakes to send GAMMA MECCANICA SPA preventively and promptly, and in any case at least 30 days before the date of delivery of the goods, the updated list of the products and materials containing chemical agents and the Safety Data Sheets related to the new products included in the list, as well as any Safety Data Sheets updated compared to the already provided ones.

12.5. By signing the order the Supplier declares and guarantees that all the services provided, connected or associated with the order itself, including any warranty services, will be executed using ready-to-use materials not classified as carcinogens and mutagens by "Risk Phrases" H340 (ex R46; former R47), H350 (ex R45) and H350i (ex R49).

13. PRICES.

13.1. The prices indicated in the order are intended to be fixed to the body and are not subject to any revision until the order is completely concluded, even in derogation of art. 1467 of the Civil Code. They are understood as including shipping, transport and packaging costs and any other charges, costs or expenses.

14. PAYMENT.

14.1. Payments will be made by bank transfer in 90 (ninety) days after the delivery of the goods upon presentation of the relative invoice. In no case will GAMMA MECCANICA SPA be in charge for any delays in payments due to irregularities or delays in issuing or sending the invoice by the Supplier.

14.2. The Supplier undertakes to promptly notify the Purchasing Department of their current account number and bank account details of the Institution where it is held, as well as to promptly communicate any change to it.

14.3. All the communications required according to and for the purposes of paragraph 14.2, including eventual channels and mandates, must be made exclusively in writing on the Supplier's headed paper and signed in original by their legal representative. In this communication before to sign it, there must be clearly specified by stamp or in text format the name and surname of the signatory and the status of the legal representative. Any communications made in the ways and forms other than those fixed will have no effect; consequently the communications will be considered as not carried out and not liable to dispute for GAMMA MECCANICA SPA, so the latter will not undertake to make any communication regarding the matter.

14.4. In no case will the Supplier complain for late payments if this is due to the failure, incorrect or late communication of their bank account details.

15. INVOICING AND TAX STATEMENTS.

15.1. Invoices and credit notes must be addressed to: GAMMA MECCANICA SPA S.p.A. Via Sacco e Vanzetti 13 , Bibbiano (RE) 42121

15.2. Tax statements must be sent with the relative attachments to the e-mail address specified in the order. The files must be received in PDF format and each PDF file may contain only one tax statement complete with any attachments. Within the single PDF file, a tax document must necessarily go before any attachments. The Supplier declares that from now on they are aware of the fact that, if the methods of sending stated in the present paragraph are not respected, the tax statements sent to GAMMA MECCANICA SPA cannot be processed automatically.

15.3. If it is not possible to send them in electronic format, invoices, credit notes and related attachments can be sent in hard copy by post to the address specified in the order.

15.4. The supplies made by national operators, or by foreign operators through a VAT position or by a permanent establishment in Italy, must be invoiced indicating the VAT regime applied and might be subject to stamp duty if there is need for it according to the current regulations.

15.5. Those Suppliers who possess a Declaration of Intention are required to use it making the following statement in the invoice: "Transaction not subject to tax VAT according to art. 8-bis, second paragraph, of the D.P.R.26 October 1972, n. 633" indicating the extremes of the Declaration of Intention, except if:

- the regime not subject to tax VAT is applicable based on art. 8-bis, first paragraph, of the D.P.R. 26 October 1972, n. 633, or a different regime based on the applicable regulation;
- otherwise specified in the order.

15.6. Unless otherwise specified in the order, the supplies from the parties not established in Italy will be made without adding VAT or a corresponding foreign tax (TVA, VAT, sales tax, etc.), which if applicable is considered to be included in price according to article 13.

15.7. If the Supplier delivers goods under DAP terms and import is undertaken by GAMMA MECCANICA SPA, the Supplier must issue separate invoices for such goods.

15.8. In each invoice, in addition to the other data required by law the following additional information must be reported:

- order number;
- construction number or operation ID number (if specified in the order);
- order position (only for the invoices that do not cover the entire order);
- clear and comprehensible description of the goods subject to supply;

15.9. The Supplier declares from now on they are aware of the fact that, should the tax statements present any deficiencies, errors or omissions also regarding the indications provided by paragraph 15.8 or if the methods of sending stated in paragraph 15.2 are not respected, they cannot be processed automatically.

15.10. The Supplier declares from now on they are aware of the fact that, unless otherwise specified in the order, no advance payments will be recognized for the contractually agreed payment; therefore, the Supplier undertakes to issue the invoices only after having delivered the goods and after they have been received by the Purchasing Department under the terms and methods provided in these conditions and in the orders.

15.11. In case if the invoices present any anomalies or serious discrepancies not corrected by the Supplier, GAMMA MECCANICA SPA reserves the right in their sole discretion to reject such invoices. In no case a lack of formal rejection of an invoice may be considered as acceptance of the invoice or of the supply.

16. INCORRECT OR INCOMPLETE DOCUMENTATION.

16.1. Any charges that may arise for GAMMA MECCANICA SPA as a result of deficiencies, errors or omissions in the documentation that the Supplier undertakes to deliver (invoices, transport documents, certificates of origin, etc.) will be charged to the Supplier.

17. WEIGHT.

17.1. For the goods invoiced by weight, for the purposes of the price to be paid by the purchaser shall prevail the weight established upon receipt of the goods on the place of delivery, unless otherwise specified in the order.

18. TERMINATION OF CONTRACT CLAUSE.

18.1. The Parties agree that the order will be terminated by law in case of non-fulfilment or violation by the Supplier of the provisions specified below, saving in any case the right of GAMMA MECCANICA SPA to request compensation for all damage connected, associated and resulting from the following:

- Delay in delivery of goods longer than four weeks
- Prohibition of ceasing the contract
- Non-compliance with the prescriptions of Legislative Decree no. 231/2001
- Force majeure clause longer than thirty days

18.2. In order to validate the possibility to declare the contract terminated by law GAMMA MECCANICA SPA must notify the Supplier, by a registered letter with delivery confirmation or by a certified e-mail, of the intention to use the termination clause. The termination of the contract will be in effect from the moment when the notification is received.

19. FINANCIAL GUARANTEE.

19.1. The Supplier acknowledges that GAMMA MECCANICA SPA may request appropriate Third Party Guarantees to cover eventual advance payments agreed, for quality and operation of the subjects of delivery and for fulfilment of the guarantee obligations which the Supplier undertakes.

19.2. The Supplier acknowledges that all the guarantees issued by Third Parties to cover the obligations established in the order must indicate GAMMA MECCANICA SPA as a beneficiary.

20. ORDER ASSIGNMENT.

20.1. It is prohibited for the supplier to cease or transfer the order.

21. CONTRACT MODIFICATION.

21.1. Any eventual modification to these conditions as well as to the particular conditions of the order must result in penalty of being declared null and void, from an act written and signed by GAMMA MECCANICA SPA and the Supplier.

22. CONFIDENTIALITY.

22.1. The Supplier undertakes to maintain Confidential Information ensuring its secrecy and to use it only for the purpose of fulfilling of the obligations established in the order. The Supplier also undertakes not to divulge, disclose or communicate Confidential Information, even after termination of the order for any reason, in any way and for any reason to any third party, and to take all necessary measures and precautions appropriate for preventing unauthorized access, disclosure and use of the Confidential Information. Having regard to the above, the Supplier apart from that must not sell to third parties any materials that may be manufactured by them on the basis or using the Confidential Information, and will have to limit their eventual fabrication to the quantities specified in the order, disposing any waste and/or surplus.

23. COMMUNICATION.

23.1. Unless otherwise specified, communications addressed to GAMMA MECCANICA SPA must be sent to the Competent Authority. They must be made exclusively in writing on headed paper and signed in the bottom or with a digital signature by the legal representative or by a person in possess of appropriate powers for representing the Supplier. Next to the subscription, the name and surname of the subscriber and their qualification must be clearly specified by stamp or printed characters.

23.2. Any communications made in the ways and forms other than those fixed in paragraph 23.1 or without the data indicated therein will have no effect, and consequently they will be considered as not carried out and not liable to dispute for GAMMA MECCANICA SPA, so the latter will not undertake to make any communication regarding the matter.

24. FORCE MAJEURE.

24.1. In any case of force majeure that the parties are not able to foresee using ordinary

diligence, the parties will have the right to request a temporary suspension and resumption of the contract execution within a period to be fixed by mutual agreement.

24.2. Cases of force majeure are wars, revolutions, sabotage, epidemics, explosions, fires, natural disasters, limitations of energy use, general lack of raw materials or other essential elements for production, embargo, national strike actions appointed by the trade unions the parties belong to, provisions of civil and military Authorities and any other element not foreseeable by using ordinary diligence.

24.3. In the cases stated in the previous paragraph, the delivery terms will be extended for a period corresponding to the working days lost due to occurrence of the above mentioned force majeure circumstances.

24.4. The party unable to perform their services or to receive services from the other party due to force majeure circumstances undertakes to communicate to the other party (for the Supplier to the Purchasing Department and to the competent Production Unit), within 7 (seven) days after the above mentioned case is ascertained, the date when it occurred and the date when it is likely to cease the effect.

24.5. Should the occurrence of force majeure circumstances delay the progress of other work already scheduled connected to the delivery of the goods for which the clause of force majeure has occurred, the Supplier must undertake to implement all the measures and tools in order to minimize this delay. In case of negligence by the Supplier, any higher costs incurred for this reason for GAMMA MECCANICA SPA will be charged to the Supplier, reserving in any case the right to compensation of any damage incurred by GAMMA MECCANICA SPA.

24.6. In case if force majeure circumstances continue more than 30 (thirty) days, the parties will have the right to consider the order terminated by law.

25. APPLICABLE LAW – LEGAL COMPETENCE.

25.1. These conditions as well as those particular ones of the order are governed by Italian law, with definite exclusion of the rules of private international law and any other source not explicitly specified.

25.2. For all the disputes concerning interpretation and/or execution of these conditions and orders including those related to their validity, existence and amount of credits towards GAMMA MECCANICA SPA, the Court of Reggio Emilia will be exclusively competent excluding any other alternative or opponent competence or jurisdiction.

Gamma Meccanica S.p.A.

via Sacco e Vanzetti, 13 • 42021 Bibbiano (RE) Italia • tel. +39 0522240811 • fax +39 0522883490
www.gamma-meccanica.it • info@gamma-meccanica.it
P.IVA 00486090350 • C.F. e reg. imprese di RE n. 00486090350 • Cap. Soc. € 530.000,00 i.v.