

S.A.M.P.I S.P.A. GENERAL PURCHASING TERMS AND CONDITIONS

1. ACCEPTING AND CONFIRMING PURCHASE ORDERS.

The Supplier explicitly accepts these general purchasing terms and conditions, which form an integral part of each purchase order issued by the Purchaser and are applied as essential clauses of the purchase order.

Any act of acknowledgment of the purchase order, including e.g. carrying out the supply covered in the purchase order, shall be deemed as implicit acceptance of the order itself.

Only the special terms and conditions stated in or attached to the individual purchase order prevail over the general purchasing terms and conditions and may form an exception or amendment to them.

Upon accepting the purchase order all the terms and conditions and the references stated therein are deemed as accepted by the Supplier.

The general purchasing terms and conditions shall apply to all the purchase orders sent to the Supplier.

The general purchasing terms and conditions and any special conditions may be neither modified nor added to by the Supplier, unless a signed agreement exists between the Purchaser and the Supplier.

All instances of accepting the purchase order, which contains different or further conditions compared to those in the purchase order itself, shall be interpreted as a new non-binding offer, unless specifically accepted by the Purchaser in writing.

Any sales terms and conditions belonging to the Supplier shall neither be accepted nor applied to the purchase order issued by the Purchaser.

The Supplier shall formalize the acceptance of the purchase order, immediately returning the copy of the purchase order, signed and stamped for acceptance, by fax or certified e-mail.

If the Supplier fails to return the order confirmation within 5 (five) days of having received it, the Purchaser shall have the right to cancel the purchase order at any time and not to go ahead with the payment procedure.

If one or more of the articles provided for by these general purchasing terms and conditions prove(s) ineffective or contrary to binding legal regulations for any reason, the ineffectiveness or opposition to binding legal regulations shall not extend to the other requirements of these general purchasing terms and conditions.

2. PRICES AND PAYMENTS.

The prices and payment terms stated in the purchase order are deemed as fixed and not subject to revision.

3. INVOICING.

All the invoices issued by the Supplier to the Purchaser shall contain:

- a) the Purchaser purchase order number;
- b) the shipping document number;
- c) a list of the supplied items with the same information and references stated on the purchase order.

The Supplier undertakes to issue the invoices with a date that does not precede the supply to which they refer.

The Supplier also declares that it is authorized to receive payment in the currency shown on the purchase order. No extra items shall be allowed compared to the agreed price unless explicitly accepted in writing by the Purchaser in a variation to the purchase order.

The Purchaser shall have the right to pay the credit that it owes to the Supplier.

4. DELIVERY AND TRANSFERRAL OF PROPERTY.

The delivery terms shown in the purchase order are deemed as binding for the Supplier.

If the Supplier for any reason envisages problems involved in observing the contractual delivery date or any other obligation, it must inform the Purchaser immediately in writing.

Where there are delays in delivery that cannot be ascribed to force majeure at its discretion the Purchaser reserves the right to:

- a) demand from the Supplier a fine amounting to one per cent (1%) of the value of the purchase order for every week of delay, or part of it, up to a maximum of ten per cent (10%) of the value of the purchase order, without prejudice to the Purchaser's right to demand compensation for greater damages suffered;
- b) demand that the Supplier observes the delivery date or prevents further delays at the expense of the Supplier and without any type of obligation for the Purchaser, using vehicles deemed most suitable by the latter, such as planes, express courier, etc.;
- c) procure elsewhere and at any time in full or in part the ordered supply, with the right to demand from the Supplier any greater additional costs that the Purchaser has borne;
- d) terminate the purchase order that is under way for the delayed parts, with the right to demand compensation for any greater damages.

For any early deliveries compared to the dates set out in the purchase order the Purchaser reserves the right to return at the expense of the Supplier or to keep the supply with the payment procedure entering into force as from the contractual delivery date.

5. SHIPPING DOCUMENT

The supply must always be accompanied by the shipping document stating:

- a) the purchase order number;
- b) shipping date;
- c) article code and description;
- d) quantity;
- e) weight;
- f) means of shipping.

6. FORCE MAJEURE

If the purchase order fails to be carried out due to the occurrence of circumstances of force majeure, the delivery dates are deemed as extended and the new date shall be established by mutual consent between the Purchaser and the Supplier in relation to the impediment.

This is on the condition that the Supplier has informed the Purchaser immediately by registered mail with return receipt, fax or certified e-mail about the occurrence of the force majeure circumstance and the Supplier has taken all measures aimed at limiting its effects.

The force majeure circumstance may not be pleaded if it arises after the expiry of the agreed delivery date.

It is also hereby pointed out that delays by sub-suppliers shall not be considered as a cause of force majeure unless evidence is provided that these delays were caused by force majeure.

If the force majeure circumstance is such to cause a delay in the delivery that is incompatible with the production needs of the Purchaser (production suspended), the latter shall have the right, upon written notification to the Supplier, to procure the supply from alternative sources.

Where, in the opinion of the Purchaser, said measure reveals itself to be impracticable or unreasonably onerous, the Purchaser shall have the right to terminate the supply rapport.

The Purchaser shall not be liable in case of strike, fire, picketing or other circumstances beyond the control of the Purchaser, which prevent deliveries from being received or cause a reduction in the requirement of the ordered supply.

7. ASSETS OWNED BY THE PURCHASER.

Everything that has been delivered to the Supplier by the Purchaser, or specifically paid for by the latter, whether tangible assets or not, including e.g. information, data, equipment, materials, designs, software, know-how, documents, trademarks, shall be and shall remain the property of the Purchaser.

If the Purchaser has delivered sub-contracting material to the Supplier, it must be identified clearly by the Supplier as material owned by the Purchaser and stored separately to other material owned by the Supplier.

Moreover, the Supplier undertakes to observe the management and storage requirements identified by the Purchaser in relation to its property.

The Supplier shall make use of the material received from the Purchaser solely for the purposes of satisfying the purchase order issued by the latter and may not make use of it for any other reason.

8. CHANGES TO THE ORDERS REQUESTED BY THE PURCHASER

The Purchaser may make changes to the purchase order at any time regarding the following:

- a) designs, plans and specifications enclosed in the order before production gets under way or followed by a specific written agreement;
- b) type of transportation, packaging and return term;
- c) place and date of delivery;
- d) quantity.

The Supplier shall not go ahead with implementing the aforesaid changes/variations until the request has been made official in writing by the purchasing office of the Purchaser.

If the change involves an increase or decrease in the costs or manufacturing time scales of the supply, the price of the purchase order and/or delivery dates will be changed as a consequence.

9. CHANGES PROHIBITED BY THE SUPPLIER/STREAMLINING

No change may be made to the supply or manufacturing process by the Supplier unless it follows written authorization by the purchasing office of the Purchaser.

The Supplier is obliged to notify the Purchaser about technological/design innovations, which are capable of improving the quality and/or the functional properties of the supply as well as innovations that may have an impact on the price/quality ratio.

10. PLANT ACCESS/INSPECTIONS.

The Purchaser reserves the right to carry out inspections, with prior notice, at any time on the premises of the Supplier for the purposes of checking the correct fulfilment of the obligations stemming from the purchase order and the upholding of the requirements of privacy, quality, safety and environment.

11. CHECKING THE SUPPLY

Accepting the supply is depending on the compliance assessment with the conditions and quantity required on the purchase order of the Purchaser.

The ordered supply shall be delivered to the goods receipt warehouse or to other destinations specifically stated by the Purchaser. The latter reserves the right to check the quantity and quality of the supply.

If the supply fails the check it shall be refused or returned at the expense of the Supplier.

For disputes regarding the non-compliance of the supply compared to the purchase order, the terms for the effect of the guarantee are deemed as derogated to 30 (thirty) days effective from discovering the non-compliance.

Where supplies are to be carried out as separate deliveries, any non-compliance of one lot of the purchase order shall give the Purchaser the right to cancel the entire order and not to collect the subsequent lots.

12. GUARANTEES.

The Supplier guarantees that its supply is free from defects, which make it unsuitable or partially suitable for the use for which it is intended, regardless of whether said defects are apparent or hidden.

The Supplier also guarantees that the supplied products are new and unused, neither reconstructed nor made from renovated materials, save for the explicit written approval of the Purchaser. The supplied products are free from design, construction and material defects and are manufactured in compliance, where provided, with the specifications, models, designs, plans, descriptions and requirements approved or adopted by the Purchaser.

The guarantee pertaining to the compliance of the supply shall be valid for a period of 12 (twelve) months effective from the delivery date of the supply.

If the supply provides faulty or does not comply with the requirements of the purchase order within the guarantee period, the Purchaser, without prejudice to all other rights provided for by the law and without prejudice to any rights to claim compensation for any further damages, at its full discretion reserves the right to:

- a) ask the Supplier to inspect, remove, reinstall, send, make the supply compliant once more, repairing and/or replacing it so as to observe the requirements of the purchase order; all relevant costs will be borne by the Supplier (including e.g. the costs of materials, labour, logistics and services). The repaired products shall be covered by a 12 (twelve) month warranty effective from the date of their repair or replacement;
- b) withhold payments in full or in part;
- c) refuse and return the supply in full or in part;
- d) terminate the purchase order with the right to demand compensation for damages and fines.

Approval of the shipping by the Purchaser's representatives, after the check has taken place in the Supplier's plant, is deemed neither liberating nor does it relieve the Supplier of duties pertaining to the warranty.

13. RECALL CAMPAIGNS

The Supplier shall be solely responsible, carrying out the relevant refund, for all costs borne by the Purchaser pertaining to recall campaigns ascribable to the non-compliance of its supply.

14. DUTIES.

The Supplier is liable for damages caused to things or persons attributable to one faulty part or parts of its supply.

Moreover, the Supplier is obliged to hold harmless the Purchaser from all compensation demands as a result of defectiveness, non-compliance and unreliability of its supply, indemnifying the Purchaser for any damages suffered.

15. INDUSTRIAL PROPERTY.

The Supplier guarantees that the supply, its use and sale do not entail any violation of the rights of industrial and/or intellectual property of third parties.

The Supplier is obliged to hold the Purchaser harmless and indemnified from all third party claims or actions, which may interfere with the free production, sale, circulation or use of the Supplier's products and/or relevant spare parts and from any costs or damages, which the Purchaser encounters as a result of violating this provision.

The Supplier must also hold the Purchaser harmless from any damages, costs and expenses that may stem from legal action or proceedings, which involve the Purchaser or its customers, based on the presumed violation of patents, copyright, trademarks, industrial secrets or other right of third party intellectual property.

16. AFTER-SALES ASSISTANCE.

Following the specific request of the Purchaser, for the period following the time scale of the warranty, the Supplier undertakes to:

- a) provide all the services required and to send useful information in order to solve operational issues once and for all or any other type of non-compliance that occurs in the supply;
- b) provide the Purchaser with spare parts in the quantities and time scales needed to allow the Purchaser to meet the after-sales assistance needs of its products, in accordance with the best standards of end customer satisfaction up until the expiry of the tenth year from the termination date of the use of the products.

17. SUSPENSION.

The Purchaser, at any time, upon written notification sent to the Supplier with 15 (fifteen) days' notice, may suspend carrying out the purchase order for a maximum period of 120 (one hundred and twenty) days.

Having received the notification the Supplier shall suspend activity for the period stated therein.

In this instance the Purchaser undertakes in any case to pay the Supplier, as an advance, the value of the supply carried out up until the moment of suspension according to the terms and conditions shown in the purchase order.

At any time the Purchaser may revoke or change the suspension terms in full or in part upon written notification.

Effective from the date of revocation or change, the Supplier undertakes to resume diligently carrying out the supply; the payment terms pertaining to what is still owed are set out in the purchase order.

18. WITHDRAWAL.

The Purchaser reserves the right to withdraw from the purchase order at any time by registered mail with return receipt, fax or certified e-mail to be sent to the Supplier with 30 (thirty) days' notice.

In this instance the Purchaser shall pay the Supplier, against the delivery of the supplier and/or documentation that has been drawn up until the withdrawal date, an amount to the sum of the value at contractual prices of the service that has been carried out.

If the Purchaser has explicitly and formally asked the Supplier to arrange a stock of specific materials, which may only be used for the needs of the Purchaser and cannot be sold to third parties, the Purchaser undertakes to collect the goods and/or to pay their value.

19. TERMINATION.

Save for delays that are wholly ascribable to causes of force majeure, the Purchaser, upon written notification and without any responsibility towards the Supplier, may terminate in full or in part the purchase order if the Supplier:

- a) does not fulfil one or more of its contractual obligations;
- b) does not observe the contractual expiry dates or any extensions accorded by the Purchaser in writing;
- c) does not make progress in carrying out the purchase order so as to call into question the correct carrying out in observance of the contractual limits and in accordance with the reasonable discretion of the Purchaser.

The termination shall be effective within 7 (seven) days of the notification of non-compliance if the Supplier fails to put it right.

Upon termination the Purchaser has the right to make a final decision regarding the use of alternative supply sources, charging the Supplier for any greater costs borne.

The Purchaser may at its discretion terminate the purchase order if a third party company acquires the share majority or the control of the Supplier due to the termination of the Supplier's business, its insolvency or if the Supplier enters liquidation, receivership, extraordinary administration, an arrangement with creditors or becomes bankrupt.

20. NO TRANSFER OF THE PURCHASE ORDER AND CREDIT.

The Supplier may not transfer in full or in part the purchase order without the prior written authorization of the Purchaser.

The Supplier also neither has the right to transfer the credit deriving from the purchase order nor to factorize it if not formally authorized by the Purchaser.

21. COMPLIANCE WITH THE LAW.

The Supplier declares, and undertakes, to comply with all the laws that are applicable to its supply. The legislative provisions issued by the European Union (such as directives, regulations and orders) are to be considered as included as well as national laws, treaties, conventions and protocols and any measure that has legal force (and the laws that derive from them), including e.g. the regulations pertaining to health, safety, use, keeping documents, protecting personal information, and storing and transporting hazardous substances. By "hazardous substances" one means all toxic substances, chemical agents or other substances that may prove hazardous to health, safety or the environment, in accordance to what is set out in the regulations that are applicable to the supply covered in the purchase order.

The Supplier also guarantees that, upon the Purchaser's request, it shall provide the certificates, which demonstrate the compliance to specific legal requirements, any updates of said certificates, declarations and guarantees in the form and with the content requested by the Purchaser.

22. CONFIDENTIAL INFORMATION AND NO PUBLICITY.

The Supplier shall keep private and confidential all information of a technical, procedural or economic nature contained in designs, 3D or other models and any other information provided by the Purchaser in relation to the purchase order ("Confidential Information"). The Supplier shall not divulge the Confidential Information to third parties in any way without the written authorization of the Purchaser.

Notes, summaries, reports, analyses or other material drawn up in any form ("Notes") that come from the Supplier must be regarded as Confidential Information.

With the exception of what is required for the purposes of correctly carrying out the purchase order, the Supplier shall not use or allow copies to be made of the Confidential Information without prior authorization by the Purchaser.

The Supplier undertakes not to carry out publicity using the Purchaser's name, its registered trademarks or to discuss any information contained in the purchase order and any of its strictly confidential appendices.

All possible exceptions shall be authorized explicitly by the Purchaser.

23. PACKAGING, STORING AND MARKING MATERIAL.

The supply shall be packed in an appropriate way and compatible with the type of supply and transportation used, equipped with a system that allows it to be protected during transportation against damage caused by impact and which is weatherproof, in order to ensure that it arrives in one piece at the destination stated in the purchase order.

The supply must be identifiable in all its parts using appropriate markings.

24. TOLERANCE/WAIVERS.

Any tolerance by the Purchaser in relation to the non-compliance of any obligation arising from the purchase order, such as the failure to exercise a right or concession of more favourable treatment, even extended over time, may neither be interpreted as conclusive behaviour nor does it give rise to any right not explicitly set out in the purchase order.

Any waivers to exercise fully or partially the rights deriving from the purchase order will only be valid if expressed in writing by the Purchaser.

25. PROTECTION OF PERSONAL INFORMATION.

The Supplier and the Purchaser declare to authorize mutually the processing of personal information in accordance with the information note stated in the Italian Legislative Decree 196/2003.

The Purchaser, in observance of the aforesaid decree, declares that all processing shall be marked by principles of correctness, lawfulness and transparency as well as safeguarding the confidentiality and rights of all the entities involved.

The information shall be processed solely for the purposes associated with the purchase order.

The information shall be processed using tools suitable for ensuring security and confidentiality in accordance with the provisions of said decree.

26. APPLICABLE LAW.

The purchase order shall be governed and interpreted from every point of view by Italian law, except for what is set out explicitly in these general purchasing terms and conditions or in the special conditions stated on individual purchase orders.

The Parties exclude the enforceability of the Vienna Convention regarding agreements for selling goods internationally.

27. ARBITRATION

All disputes that may arise in relation to the purchase order, including those pertaining to its validity, interpretation, execution and termination shall be deferred to the decision of an arbitration board or a single arbitrator, in accordance with the "Regulations of the Court of Arbitration" of the Chamber of Commerce of Lucca.

The arbitration board or single arbitrator shall make a decision in accordance with standard procedures and the law, in observance of the mandatory regulations of art. 806 foll. of the Italian Code of Civil Procedure.

S.A.M.P.I. S.p.A.

The Supplier

(Date, stamp and signature)

(Date, stamp and signature)

In accordance and for all legal purposes of art. 1341 and 1342 of the Italian Civil Code the clauses stated in articles 1; 2; 4; 6; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 22; 24; 26; 27 are hereby specifically approved.

The Supplier

(Date, stamp and signature)