

SIAD MACCHINE IMPIANTI S.P.A.
GENERAL CONDITIONS OF PURCHASE
SIMPLE ITEMS

1. General principles

1.1 These are the only conditions of sale that govern purchase contracts and purchase orders issued by Siad Macchine Impianti S.p.A. ("SIAD MI") for simple items. The supplier's general conditions of sale, if any, shall not apply, even partially, in any circumstances.

1.2 In the event of conflict between the provisions of these general conditions of purchase and the provisions of specific purchase orders or contracts issued by SIAD MI, the provisions laid down in the specific purchase orders or contracts shall prevail.

1.3 These general conditions of purchase shall apply to all contracts signed with a given supplier, without any need for further acceptance thereof.

1.4 The person who signs these general conditions warrants and represents that he/she is invested with the power to represent the supplier and enter into contracts on its behalf.

2. Contracts, orders and amendments thereto

2.1 Unless expressly refused in writing within 15 (fifteen) calendar days of their receipt, purchase orders issued by SIAD MI shall be deemed accepted by the supplier. The above term shall be calculated with effect from the time of transmission of the purchase order and respective attachments in electronic format by SIAD MI. In any event and as soon as possible, the supplier shall return to SIAD MI, duly initialed on each page and signed by the supplier's legal representative or other person invested with the necessary powers, the purchase orders together with all relevant technical and contractual attachments. Purchase orders issued by SIAD MI under framework contracts or open orders shall be deemed accepted by the supplier unless expressly refused in writing within 5 (five) business days of their receipt.

2.2 SIAD MI may revoke and/or cancel any purchase order or withdraw from any individual contract at any time, at its discretion. SIAD MI shall indemnify the supplier only for the costs incurred for the execution of the supply, up to the time at which the right to withdraw from, revoke or cancel the purchase order is exercised, excluding any loss of earnings.

2.3 The supplier may neither transfer any contract with SIAD MI, nor subcontract the supply, either partially or as a whole, without prior written consent from SIAD MI.

3. Suspension of supplies

SIAD MI shall be entitled to order full or partial suspension of the execution of supplies, by instructing the supplier to suspend production of the products ordered or the delivery thereof. Notice of suspension shall be given in writing and shall indicate the starting date of suspension. In all cases of suspension, the delivery date specified in the purchase order or in any individual contract, and any other due date established therein, shall be automatically extended by a period equal to the duration of suspension. In the event of suspension, the supplier shall be entitled to the reimbursement of all reasonable costs incurred as a result of the said suspension, provided that they are adequately documented.

4. Delivery

4.1 The dates, places and terms of delivery specified in individual contracts or purchase orders issued by SIAD MI shall be binding for the supplier. In the event of late delivery, the supplier shall pay SIAD MI the penalty stipulated in the respective contract or purchase order issued by SIAD MI, without prejudice to the SIAD MI's right to claim compensation for greater losses.

4.2 Notwithstanding any different provisions established in individual contracts and/or purchase orders issued by SIAD MI, deliveries shall be DDP Incoterms® 2010, to the SIAD MI site or a third-party site indicated by SIAD MI, as specified in the respective contract or purchase order.

4.3 Unconditional acceptance of a late delivery of products shall not result in and may in no way be construed as or equated to the waiving of SIAD MI's right to claim compensation for losses and/or payment of penalties.

4.4 At the time of delivery of the products, i.e. within the terms specified in individual contracts or purchase orders issued by SIAD MI, the supplier shall provide SIAD MI with all documentation necessary and appropriate for the correct use of the products in question, together with any documentation specifically indicated in the respective contract or purchase order issued by SIAD MI.

4.5 Ownership of the products and accompanying documentation shall be transferred to SIAD MI once the said items have been delivered in accordance with the procedures laid down in these general conditions of purchase and/or in the respective contract or purchase order issued by SIAD MI. The supplier assumes all risks of loss or damage relating to the products until such time as the latter are delivered to SIAD MI, or to a representative thereof, at the agreed place of delivery.

5. Testing

5.1 Where the goods supplied are machines (plants, compressors, production lines, etc.) and whenever specified in the respective contract or purchase order issued by SIAD MI, the products shall undergo acceptance testing, unless stated otherwise by SIAD MI in writing. Acceptance testing shall take place on the supplier's premises and shall be conducted in accordance with SIAD MI technical procedures or with the procedures specified in individual contracts or purchase orders, and in accordance with the SIAD MI control plan. The supplier shall take part in acceptance testing and shall offer SIAD MI all the necessary cooperation to ensure that the tests are carried out correctly. The costs and expenses relating to acceptance testing shall be borne by the supplier.

5.2 Should the result of acceptance testing be negative, without prejudice to SIAD MI's right to refuse the product, terminate the respective contract and claim compensation for losses, the supplier shall, at its own expense and responsibility, take the necessary corrective action and make the necessary replacements to bring the product, as quickly as possible, into conformity with the specifications laid down in the respective contract or purchase order, and remedy any defect. On completion of the said corrective action or replacements, acceptance testing shall be repeated. Should the result of acceptance testing be negative, the cost of subsequent acceptance testing (including the cost of the SIAD MI inspector) shall be borne by the supplier in all cases.

5.3 For products purchased by SIAD MI for the purpose of resale as stand-alone units, or for integration into plants or production lines, definitive acceptance testing shall be the acceptance testing conducted at the site of SIAD MI's customer.

5.4 No checks, tests, inspections, full or partial payments or declarations by SIAD MI prior to the acceptance testing governed in articles 5.1 to 5.3 shall constitute acceptance or transfer of title, or exonerate the supplier of any of its responsibilities.

5.5 Acceptance of the product further to the successful completion of acceptance testing shall not, in any event, release the supplier from the warranties established in art. 7 below.

6. Amount due and terms of payment

6.1 The amount due for the products to be supplied, and the respective terms of payment, shall be agreed in each contract or purchase order issued by SIAD MI. The agreed prices shall be deemed fixed, invariable and all-inclusive, unless agreed otherwise in writing. Payment of the amount due shall be subject to delivery to SIAD of all documentation necessary and appropriate for the correct use of the products included in each contract or purchase order, together with any documentation specifically indicated in the respective contract or purchase order.

6.2 The supplier's invoice shall be paid at 90 days from date of end-of-month invoice by bank transfer, unless agreed otherwise.

6.3 The amount due shall be quoted for goods "delivered duty paid" (DDP – Incoterms® 2010) and shall include the necessary packaging to ensure that the product remains undamaged. Value Added Tax (VAT), where applicable, shall be excluded, unless otherwise specified.

6.4 In the event of late payment by SIAD MI, the only additional amounts payable shall be interest on arrears at the legal interest rate.

7. Warranties and complaints

7.1 The supplier warrants that the products and related services supplied to SIAD MI shall:

- (i) conform with the agreed specifications; and
- (ii) be new and free from faults and defects; and
- (iii) comply with the applicable national and European Union legislative and regulatory requirements, technical standards, safety regulations, environmental regulations and other regulations in force in Italy and the country of destination of the product.

7.2 The duration of the warranty established in art. 7.1 shall be specified in the individual contracts or purchase orders issued by SIAD MI. The above warranty shall consist of an undertaking by the supplier to replace and/or repair, free of charge, any products and/or parts thereof and/or spare parts supplied that may be faulty and/or defective or damaged during assembly, installation or any other job or service carried out by the supplier, without prejudice in any of the above cases to SIAD MI's right to claim for all losses.

The cost of transporting the faulty or defective part from SIAD MI to the supplier and of returning the repaired or replacement part shall be borne by the supplier.

Any products, or parts thereof, that may have been repaired and/or replaced shall be covered by warranty for the period established in art. 7.2, with effect from the date of their replacement and/or repair.

7.3 SIAD MI shall have a period 90 (ninety) days to report any faults in the products supplied, with effect from the discovery thereof.

7.4 Any liability deriving from the products, including personal injury and damage to property, shall be borne exclusively by the supplier, which shall indemnify SIAD MI and take out adequate insurance cover against such risks.

7.5 The parties agree that, should SIAD MI dispute the acceptability of the supply for any cause or reason, it shall be entitled to suspend the respective payment until such time as: (i) the supplier has replaced and/or repaired any products and/or parts thereof found to be faulty and/or defective; or (ii) a court of law has established, under a definitive ruling, that the dispute is unfounded. Pending such a ruling, the supplier shall not be entitled to take action to recover the debt, and no interest on arrears, of any type, shall be applicable to the sums withheld by SIAD MI.

7.6 SIAD MI shall be entitled to offset the sums claimed from the supplier by way of compensation for loss with those payable to the latter for the supplies, even if SIAD MI's receivable is not certain, liquid and payable.

8. Materials and components supplied by SIAD MI.

Any materials, components, containers or special packaging provided by SIAD MI to the supplier shall remain the property of SIAD MI. They may be used by the supplier only in accordance with the instructions received from SIAD MI. To an extent commensurate with the value of the components supplied by SIAD MI with respect to the value of the entire product made by the supplier, SIAD MI shall be co-owner of the products manufactured using its materials and components. The supplier undertakes to keep such products with due care in the interests of SIAD MI.

9. Spare parts

The supplier undertakes to supply SIAD MI with the necessary spare parts for the products supplied, for a period of not less than 10 (ten) years from the date of delivery of the products. The supplier shall sell such spare parts to SIAD MI at a price that will be negotiated between SIAD MI and the supplier.

10. Confidentiality

10.1 The term "Confidential Information" shall mean all information, data or knowledge of a technical, experimental, financial, commercial and/or any other nature, including, by way of example but without limitation, any drawing, diagram, procedure, document, technical specification, performance, prototype, sample, invention, idea or result, whether patentable or otherwise, relating to SIAD MI and/or its products and/or any customer of SIAD MI, that has been or may at any time be provided or communicated by SIAD MI or its directors, representatives, employees, agents and/or consultants to the supplier, or that the latter may have apprised itself of in any way, whether in writing, orally or by other means, even if not marked with the word "private", "confidential" or equivalent term.

10.2 The supplier acknowledges the confidential nature of all Confidential Information and therefore undertakes:

- (i) to keep strictly confidential and not divulge and/or communicate to third parties, either directly and/or indirectly, partially and/or as a whole, in written, oral, graphic or any other form, including on magnetic media, even on the basis of a confidentiality agreement, any confidential information whatsoever without the prior written consent of SIAD MI; (ii) not to use any Confidential Information or any part thereof for purposes other than the execution of the supply requested by SIAD MI;
- (iii) not to seek economic gain from the use of any Confidential Information or part thereof;
- (iv) not to use any Confidential Information for the purposes of acquiring intellectual property rights and/or rights of any other type, or to allow third parties to acquire such rights in any way;
- (v) not to copy, duplicate, reproduce or record any Confidential Information whatsoever by any means or in any form.

10.3 The supplier shall be entitled to make Confidential Information available only and exclusively to such employees, external partners, managers, directors and/or consultants who need access to the information in question for the purposes of executing the supply, provided that the said personnel are made aware of the confidential nature of the Confidential Information and are bound, in writing, to comply with the obligations of confidentiality and non-use established in this art. 10. The supplier shall be responsible and shall indemnify SIAD MI and hold it harmless for any loss sustained and/or cost and/or expense incurred by SIAD MI further to any violation of the obligations of confidentiality and non-use, including by its aforementioned external partners, employees, managers, directors and/or consultants.

10.4 The supplier shall return to SIAD MI and/or destroy, promptly and as soon as requested to do so by SIAD MI, all Confidential Information in its possession, including all related extracts, copies and recordings.

10.5 The obligations established in articles 10.2, 10.3 and 10.4 shall be valid for a duration of 10 (ten) years, with effect from delivery to SIAD MI of the products ordered by the latter.

11. Intellectual property rights

11.1 Each party shall remain the holder of the copyright and all intellectual property rights to the documents and/or information that it supplies to the other party. In any event, the supplier shall grant SIAD MI and the customer of SIAD MI, where applicable, a transferable, non-exclusive, irrevocable, free licence (i) to copy and use all the documents and information provided by the supplier for the purposes of installing, using and maintaining the products and (ii) for the use of all industrial and intellectual property rights relating to the products to which the supply pertains. This licence shall be deemed granted for the full useful life of the product supplied by the supplier, and its cost shall be deemed included in the price agreed for the purchase of the products.

11.2 The supplier warrants, further, that the products and documentation supplied, and the use thereof, does not infringe any rights of third parties, including, by way of example but without limitation, intellectual and/or industrial property rights. The supplier shall indemnify SIAD MI and the latter's customer, where applicable, and shall hold them harmless against any loss, cost and/or expense that they might incur and/or sustain as a result of claims and/or actions of third parties which maintain that the use of the documentation and/or product supplied by SIAD MI infringes their rights.

12. Customs and exports

12.1 The supplier shall inform SIAD MI of any need for export (re-export) licences for the products, on the basis of Italian, European or United States law on export control and customs requirements. The supplier shall therefore include the following information about the products in quotes, order confirmations and invoices:

- Customs code of the goods according to the harmonised system;
- Country of origin of the products and respective components, including technology and software;
 - o any preferential origin for EU products
- Free sale and export of the product;
- If any control lists apply:
 - o Dual Use (Regulation [EC] 388/2012)
 - o Iran (Regulation [EC] 267/2012 as amended)
 - o Syria (Regulation [EC] 36/2012 as amended)
 - o Fluorinated greenhouse gases (Regulation [EC] 842/2006 as amended)
 - o Substances that deplete the ozone layer (Regulation [EC] 1005/2009 as amended)
- For products originating from the USA:
 - o ECCN (Export Control Classification Number) for United States goods (including technology and software) in accordance with US Export Administration Regulations (EAR);
 - o transport of the products within USA territory (if applicable), manufacture or storage of the products in the USA (if applicable) and the manufacture thereof with USA technology (if applicable);
- contact person within the supplier company, who is available to provide further information on request.

12.2 At the request of SIAD MI, the supplier shall provide further technical specifications and any information relating to the products and the components thereof in writing, and shall inform SIAD MI of any changes made to such information promptly and in any event before supplying the goods to SIAD MI.

12.3 At the request of SIAD MI, the supplier shall, at its own expense and responsibility, provide SIAD MI with the Certificate of Origin of the products/components and any additional documentation for the export thereof. The supply shall not be deemed completed until such time as all documents required by SIAD MI have been provided.

13. Supplier's employees, environment and safety

13.1 The supplier shall comply with the applicable laws governing the treatment of employees, environmental protection and occupational health and safety, and undertakes to eliminate or at least minimise any negative effects of its operations on humans and the environment. The supplier shall therefore establish and continuously develop an environmental management system based on ISO 14001 and a safety management system based on BS OHSAS 18001, commensurate with its capacity to do so. Furthermore, the supplier shall comply with the principles of the UN initiative, with particular reference to those relating to the protection of human rights at international level, the right to collective bargaining, the abolition of forced and child labour, the elimination of discriminating criteria in the employment of personnel, environmental responsibility and the prevention of corruption. The supplier shall also comply with the highest ethical standards and ensure compliance therewith by its employees, directors and partners. The supplier undertakes, further, to refrain from, and ensure that its employees, directors, external partners, representatives and agents refrain from, offering money, gifts, assets or other benefits to SIAD MI and the directors,

employees, partners and representatives of SIAD MI, with a view to winning contracts of any type with SIAD MI or with a view to entering into contracts with SIAD MI at unduly favourable conditions for the supplier .

13.2 The supplier represents and warrants that it has fulfilled and shall fulfil, and that any of its subcontractors have fulfilled and shall fulfil, all obligations pertaining to remuneration, contributions, insurance, safety, tax and health and social security payments for its employees and/or external partners, established and/or required by the law, by collective contracts or by contracts with individual employees and/or external partners, and in respect of the personnel used to execute the supply.

13.3 At the request of SIAD MI, the supplier undertakes to provide SIAD MI with all the necessary documentation testifying to compliance with the obligations laid down in art. 13.2, including the declarations and self-certifications envisaged in art. 35, paragraph 28 of Italian legislative decree No. 223 of 4 July 2006. In the event that (i) the supplier refuses to provide such documentation, or (ii) the documentation provided is incomplete or not in conformity with requirements, SIAD MI shall be entitled to suspend payment of the amount due.

13.4 The supplier shall indemnify and hold harmless SIAD MI and/or SIAD MI's customer, against any claim, request and/or action from third parties, and against any cost, expense, loss, charge, penalty, fine, sanction or responsibility, including in respect of third parties, that may derive from non-compliance with the provisions of art. 13.2 or the applicable laws and regulations pertaining to social security, remuneration, insurance, contributions, safety, tax and health cover.

13.5 The supplier undertakes to comply, and ensure that its employees comply, with all occupational health and safety regulations, requirements and procedures applicable to its sites and workshops, including Italian legislative decree 81/2008. Should any of the supplier's personnel visit any SIAD MI site or SIAD MI customer's site in the course of execution of the supply, the supplier shall comply, and ensure that its employees comply, with all applicable occupational health and safety regulations, requirements and procedures, and shall cooperate with SIAD MI and SIAD MI's customer to this effect.

13.6 The supplier shall be held directly responsible for any non-compliance and/or violation, on its own part or on the part of its personnel and any sub-suppliers and/or additional subcontractors and their personnel, of the obligations laid down in art. 13.5 and all applicable laws and regulations. As such, it shall indemnify and hold harmless SIAD MI and/or SIAD MI's customer, against any claim, request, action, cost, expense, loss, charge, penalty, fine, sanction or responsibility in respect of any third party.

13.7 Except with the express, prior, written authorisation of SIAD MI, the supplier undertakes, both directly and indirectly, neither to offer jobs to nor to hire or enter into employment or other work contracts with the personnel of SIAD MI, either during the execution of the supply, or in the 12 (twelve) months immediately thereafter. In the event of violation of the above, the supplier shall be required to pay SIAD MI a sum corresponding to 1 (one) year's gross remuneration of the hired SIAD MI employee, by way of penalty, without prejudice to the right to claim greater losses. The provisions of this art. 13.7 shall not apply if the SIAD MI employee in question responds to indirect offers (e.g. generic job advertisements, head hunters, etc.) not specifically aimed at SIAD MI personnel.

14. Miscellaneous

The unenforceability of any clause in these conditions or subsequent agreements shall not invalidate the remaining conditions. The parties shall agree upon a replacement clause that reflects the economic intent as far as possible.

15. Applicable law

These conditions of purchase shall be governed exclusively by the laws of the Republic of Italy. The 1980 Vienna Convention on Contracts for the International Sale of Goods and other conventions relating to the law applicable to the international sale of goods shall not apply.

16. Jurisdiction

In the event of any dispute between SIAD MI and the supplier deriving from or connected with formally agreed contracts or orders, the court of Bergamo shall have sole jurisdiction, and the parties expressly agree that no alternative or equivalent court shall have jurisdiction.

17. Traceability of financial flows

17.1 Should any supply or part thereof benefit from public, national or European Union funding granted to SIAD MI or SIAD MI's customer, SIAD MI shall provide the supplier, pursuant to and by virtue of art. 3 of Italian law 136 of 13 August 2010 as amended, with the following:

- (i) the name of the public body responsible for granting the funds;

(ii) the “Tender Identification Code”; and

(iii) the “Unique Project Code”, if applicable.

17.2 The supplier, in turn, undertakes with immediate effect to fulfil all obligations relating to the traceability of financial flows laid down in art. 3 of law 136 of 13 August 2010 as amended, with particular reference to:

(i) using one or more dedicated accounts for the purposes of receiving and making payments;

(ii) making all payments to any subcontractors by bank transfer or other appropriate means to ensure that all transactions remain traceable; and

(iii) quoting the Tender Identification Code and, if applicable, the Unique Project Code in all payment transactions.

Place, date

(the supplier)

stamp and signature

Pursuant to and by virtue of articles 1341 and 1342 of the Italian civil code, the supplier expressly approves the following articles: 2.2 (revocation/cancellation of orders); 2.3 (prohibition of subcontracting); 3 (suspension of supplies); 4.1 (penalties); 7.3 (reporting of defects); 7.5 (suspension of payments); 7.6 (compensation); 10 (confidentiality); 13.7 (prohibition of soliciting); 15 (applicable law) and 16 (Jurisdiction)

(the supplier)

stamp and signature