

GENERAL CONDITIONS OF SUPPLY
EDITION No. 09-2014

ARTICLE 1

DEFINITIONS

1. "**TECNOMEK**": indicates TECNOMEK ENGINEERING S.r.l., a limited liability company with registered office in Grumo Appula (BA) - S.S. 96 KM 97+230, registered in the Register of Companies of Bari with tax code number 05130060725 and the R.E.A. number BA - 399579.
2. "**SUPPLIER**": indicates the industrial and/or commercial and/or services and/or the professional company which performs activities in the areas of interest of TECNOMEK and has accepted the present general conditions of supply.
3. "**PRODUCTS**": indicates any goods offered, promoted, sold, made by the SUPPLIER in favour of TECNOMEK or that a SUPPLIER might offer, promote, sell, or provide in favour of the TECNOMEK.
4. "**SERVICES**": refers to any of the services offered, promoted, sold by the SUPPLIER in favour of the TECNOMEK or that a SUPPLIER might offer, promote, sell or lend in favour of the TECNOMEK.
5. "**TERMS**": refers to the terms and conditions of this agreement.
6. "**REQUEST FOR QUOTATION**": refers to the quotation request performed by TECNOMEK and addressed to the SUPPLIER.
7. "**OFFER**": Indicates the quote issued by the SUPPLIER.
8. "**PURCHASE ORDER**": means the PURCHASE ORDER issued by TECNOMEK to SUPPLIER or the contract signed by TECNOMEK and the SUPPLIER.

ARTICLE 2

GENERAL PRINCIPLES

1. TECNOMEK and the SUPPLIER collaborate frequently in their respective areas of competence and want to govern the contractual terms and conditions of any pre-PURCHASE ORDER and execution of the PURCHASE ORDER through this agreement.
2. The following terms and conditions of supply are the only ones governing orders issued or contracts signed between TECNOMEK and the SUPPLIER.
3. The SUPPLIER expressly accepts all the terms and conditions referred to in this agreement and the PURCHASE ORDER to which these terms refer.
4. With the acceptance of these general conditions the SUPPLIER expressly waives any of its general conditions and terms of use.
5. Any editing and addition to the PURCHASE ORDER will be valid only in the case of specific written acceptance of TECNOMEK.
6. The terms and conditions of supply of TECNOMEK will apply to all future supplies of products or services from the SUPPLIER carried out subsequently to the acceptance of the terms of these conditions. These terms have a duration of five (5) years from the time of signing and will be tacitly renewed for five-year periods unless terminated in advance to the other party by registered letter with receipt acknowledgement with a notice period of six (6) months from the date of expiration.

ARTICLE 3

COMPLETION OF THE PURCHASE ORDER

1. The REQUEST FOR QUOTATION, which will be sent by TECNOMEK by e-mail or by fax, does not constitute a contract proposal, nor offer to the public, but a simple invitation to offer. TECNOMEK reserves the right to modify, cancel, withdraw, suspend, the REQUEST FOR QUOTATION at any time, without the SUPPLIER can claim any expectations, nor any right to compensation or indemnification.
2. If the SUPPLIER is interested in making an offer, the latter shall send its OFFER within the time limit of 3 days from the receipt of the REQUEST FOR QUOTATION: the OFFERS received after this deadline may not be taken into account. The SUPPLIER undertakes to sign their own OFFERS keeping them firm and irrevocable for a period of 60 days from the time they are communicated via fax or email to TECNOMEK. Where required by the applicable law, the OFFERS will be required to specify the costs related to the implementation of the measures for the health and safety of the SUPPLIER's workers.
3. With the exception of the different indication specified in the REQUEST FOR QUOTATION, the OFFER and all the attached documents should be drafted in the Italian language. All prices and tariffs should be expressed in Euro unless otherwise requested.
4. All costs related to the quotation and presentation of the OFFER and, in general, for the possible participation in a tender that could be convened by TECNOMEK shall be borne by the SUPPLIER.
5. The sending of the offer by the SUPPLIER must always be interpreted as further confirmation of acceptance of these general conditions. The eventual sending of the general conditions of the SUPPLIER together with the OFFER shall be interpreted as a simple mistake, and therefore in the relationship between TECNOMEK and the SUPPLIER the terms and conditions of the latter shall remain always ineffective.
6. The object of the supply results from the PURCHASE ORDER. The PURCHASE ORDER from TECNOMEK will be sent to the SUPPLIER electronically, and will be signed or have a digital signature. The SUPPLIER undertakes to anticipate via e-mail or fax the a signed copy to TECNOMEK for acceptance of the PURCHASE ORDER and to send the original signed to the headquarters of TECNOMEK within a maximum period of 3 days from receipt. Any act of acknowledgment of the PURCHASE ORDER, including for example, the execution of the activities covered by the same, should be understood as implied acceptance of the PURCHASE ORDER and confirmation of acceptance of these terms and conditions.

ARTICLE 4



DELIVERY OF THE GOODS

1. The place of delivery is the place in which the goods shall be delivered in accordance with the PURCHASE ORDER or contract. The place of delivery coincides with the head office or the factories of TECNOMECH specified in the contract or PURCHASE ORDER, unless otherwise requested.
2. If any of the goods and/or materials furnished pursuant to the PURCHASE ORDER are found to be defective or otherwise not in conformity with the requirements of the contract, these goods and/or materials will not be accepted and will be rejected by TECNOMECH; the costs of the rejection shall be borne by the SUPPLIER; deliveries or supplies from different specifications referred to in the contracts and ORDERS of TECNOMECH require the prior written consent of TECNOMECH.
3. The dates and terms of delivery specified in the contract or PURCHASE ORDER are to be considered as binding and essential. The receipt of goods and/or services is for TECNOMECH the decisive factor for the abutment of the observance of the period or the date of delivery. The SUPPLIER shall promptly make available goods considering the amount of time to load and transport as agreed with the forwarder, and if the SUPPLIER, within the time limits, does not carry out the agreed services and/or does not deliver all the products and related documents (including, for example, drawings, SPIR (spare parts list), certificates, manuals and documentation relating to the quality), the SUPPLIER must pay TECNOMECH a charge equal to one percent (1%) of the price of the PURCHASE ORDER for each week of delay, or a portion of it, up to a maximum of fifteen percent (15%) of the price of the PURCHASE ORDER. The Parties agree that such penalty constitutes a reasonable assessment of the possible damage caused to TECNOMECH from a possible delay, taking into account the circumstances at the time of the PURCHASE ORDER, without prejudice to the compensation of any further damage.
4. The SUPPLIER shall bear all costs related to the actual delivery, such as storage, packaging, transport, insurance of goods and PRODUCTS.
5. In the case of products that need to be installed and commissioned, the delivery will be carried out only after the installation, the commissioning and the express acceptance of TECNOMECH, in this case, the Supplier will even be responsible for the expenditure necessary for these activities, such as, for example travel costs, the availability of the instruments, as well as subsistence.
6. The SUPPLIER will immediately inform the purchasing office of TECNOMECH, where it contemplates difficulties that could impede its ability to deliver or provide goods or services promptly and with the required quality.
7. The acceptance of a late delivery of PRODUCTS or supply of SERVICES does not entail the loss of the right to make a request for damages by TECNOMECH for these deliveries or supplies.
8. Deliveries or partial deliveries are normally excluded, except with the prior consent of TECNOMECH.
9. Unless they have evidence to the contrary, the quantities, weights and dimensions established by TECNOMECH during inspections of goods to the delivery shall be considered definitive.
10. It is understood that TECNOMECH shall have the right to use the software (if present) and related documentation connected with goods purchased, according to the characteristics of the services agreed.
11. Upon being informed of the actual use of the goods, the SUPPLIER ensures the compliance of such goods for the purpose stated. Any inspection or partial approvals do not have a bearing on the obligations of the SUPPLIER to carry out in total the object of the contract and give a guarantee.
12. Acceptance will follow only and solely with the express statement of approval by TECNOMECH, and not on the eventual use or payment.

ARTICLE 5

SUPPLY OF MATERIALS

1. Materials, components, containers, special packaging, information, data, equipment, drawings, software, know-how, documents, trademarks, copyright, equipment, their spare parts or materials supplied by TECNOMECH in order to allow the SUPPLIER to carry out the PURCHASE ORDER or provision of services, remain property of TECNOMECH. These assets, whether tangible or not, can only be used in accordance with their intended destination.
2. Such goods, even individually, if it is possible, should be clearly identified by the SUPPLIER as a material property of TECNOMECH and must be stored separately from the property of the SUPPLIER.
2. The processing of materials and assembly of components are executed on behalf of TECNOMECH. It is understood that, in relation to the value added of the components of TECNOMECH at the value of the entire product, TECNOMECH will be co-owner of the goods manufactured with its materials and components that the SUPPLIER undertakes to keep in the interest of TECNOMECH.
3. In the case of attempts of seizure, confiscation or any other judicial measure required by third parties affecting materials, components, containers, and special packaging supplied by TECNOMECH, the SUPPLIER shall inform the third party and give evidence to the bailiff of the actual owner of the goods and shall, in any case, immediately inform TECNOMECH about what is happened.

ARTICLE 6

CHANGES OF THE PURCHASE ORDER

1. TECNOMECH may at any time make changes to the PURCHASE ORDER in the following terms: (a) drawings, plans or specifications, where the products which are the subject of the supply are manufactured specifically for TECNOMECH; (b) method of shipping or packaging; (c) date and place of delivery; (d) the amount of the products owned by TECNOMECH to be supplied; (e) quality; (f) amount; (g) definition of products and/or services and timetables.
2. TECNOMECH should document the change request in writing with a notice of 3 (three) days through a modification of the PURCHASE ORDER. In case the change of the scope of work requires an increase or a reduction of the costs or of the scheduling



of the supply reported in the Purchase Order (PO), the price of the PO and the dates of the deliveries will be consequently updated, in writing, provided that the SUPPLIER will request for it within two (2) days from the receipt of the request of the change of supply or suspension, and provided that this request is limited to reasonable direct costs that cannot be avoided as direct outcome of the change

ARTICLE 7

PRICES AND TRANSFER OF TITLE

1. The amount of the price and the method of payment will be agreed in each separate PURCHASE ORDER or contract.
2. Prices, except as indicated above, are, however, to be determined globally, fixed and are not serviceable, being valid up to what is mentioned here as expressed waiver of any right, including those referred to the Art. 1664 of the Italian Civil Code.
3. Where in a contract, the compensation is not paid at a predetermined price, but according to the expenses incurred and proven, the SUPPLIER guarantees to maintain its own request in the context of the total approved quote or of the offer. Additional costs are then recognised by TECNOMECH only if previously expressly approved by the same.
4. The price agreed with the SUPPLIER is all-encompassing and includes everything provided for in Art. 3 above; it matures and will be paid, at the time of acceptance of goods, in accordance with the agreed terms of payment. Unless otherwise specified in the PURCHASE ORDER, payment terms are to be one hundred (120) days from the end of the month of the date of invoice.
5. Value added tax is not included in the price and is still the responsibility of TECNOMECH
6. The information, drawings, specifications, software, know-how or other information supplied by TECNOMECH or from the same paid, are granted by TECNOMECH in the user license to the SUPPLIER only for the purpose of fulfilling the PURCHASE ORDER. This license is not transferable and TECNOMECH can neither withdraw from it at its sole discretion at any time. TECNOMECH will acquire every right concerning ideas, inventions, works, strategies, plans and data created by the SUPPLIER in the execution of the PURCHASE ORDER or resulting from this implementation, including patents, copyright, rights to confidential information, databases, trademarks, and other similar rights. This intellectual property, falling within the scope of copyright protection, will be considered as an industrial invention made in the performance or fulfilment of a contract or a working relationship, in which the invented activity is expected to be the object of the contract or of the relationship and is rewarded accordingly, for all purposes and effects of the provision of Art. 64, of Italian D.lgs. 30/2005, from which it derives that the rights arising from the invention itself belonging to TECNOMECH, except for the inventor's right to be recognised as the inventor: where required to this end, the SUPPLIER undertakes to sign those documents that are required for the transfer or assignment to the TECNOMECH of such intellectual property.
7. Unless otherwise specified in the PURCHASE ORDER, the products remain the property of the SUPPLIER until the time of their acceptance by TECNOMECH at the place of delivery agreed upon.

ARTICLE 8

INVOICES AND OTHER DOCUMENTS

1. On the invoices, delivery notes, dispatch alerts, correspondence, etc., the SUPPLIER must quote the number and the date of the PURCHASE ORDER. Documents without the indications here laid down will be invalid (nor will invoices be paid).
2. TECNOMECH reserves the right to condition the payment of the invoices to delivery by the SUPPLIER of all necessary documentation proving the fulfilment by the SUPPLIER itself of all its payment obligations however they relate to the PURCHASE ORDER.
3. TECNOMECH will in any case have the right to suspend the payments where the SUPPLIER is negligent in relation to the payment of wages and salaries and the payment of withholding tax on the incomes of employees and social security contributions and compulsory insurance for work accidents and occupational diseases relative to their employees in the execution of ORDERS.

ARTICLE 9

NON-COMPETITION CLAUSE

1. During the period of effectiveness of these terms, the SUPPLIER undertakes not to qualify, offer products or services to end customers of INFORMATIONS.
2. In case of breach of the cause above, the parties agree that the SUPPLIER will be obliged to pay to TECNOMECH an amount equal to the value of the PURCHASE ORDER concluded with the final customer of TECNOMECH by way of penalty, without prejudice to the right to compensation for any further damage.

ARTICLE 10

CONFIDENTIALITY AND EXCLUSIVITY

1. The SUPPLIER will keep confidential all commercial and technical information made available by TECNOMECH (including data that can be taken from objects, documents, or software, and any other information or experience), as well as the results of the work achieved on the basis of the contract, except what is already public knowledge. The information shall be disclosed only in the yards of the SUPPLIER and to SUPPLIER's employees when it will be necessary for the execution of the PURCHASE ORDER. The information is the exclusive property of TECNOMECH and may not be duplicated or used commercially - except for deliveries to TECNOMECH - without the authorisation of TECNOMECH. At the request of TECNOMECH, all the information provided (including all copies or records, if available), as well as the goods and data tools in use by TECNOMECH to the SUPPLIER should be immediately returned or demonstrably destroyed. All rights on such information are reserved for TECNOMECH (including industrial property and intellectual rights).



2. Goods made on the basis of documentation such as drawings, models and the like, staged by TECNOMECH or based on confidential information of TECNOMECH, as well as tools or any further tools modelled on the same, shall never be used by the SUPPLIER for purpose other than the PURCHASE ORDER nor offered or sold to third parties.

3. With reference to technical and commercial information received by TECNOMECH for the execution of the service, the commitment of confidentiality will continue even after the execution of the contract until it is to the extent that such information has not become available in the public domain for reasons not attributable to the SUPPLIER, or in the case where TECNOMECH waives in writing to the confidentiality commitment.

ARTICLE 11

ACCEPTANCE - GUARANTEES

1. The acceptance of the PRODUCTS and/or SERVICES shall be subjected to inspection and/or control in order to verify the lack of defects, accuracy and suitability. TECNOMECH has the right to inspect the goods and check services provided as soon as is possible in the normal course of business, being totally independent of the compliance with the law terms of prescription and forfeiture.

2. TECNOMECH will give timely notification of any defect after its discovery. The SUPPLIER waives the right to plead any delay in the complaint of defects and in particular waives to the Art. 1495 and 1667 of the Italian Civil Code.

3. The SUPPLIER also ensures that the PRODUCTS and SERVICES are new, they have not been used, and remanufactured or made with re-usable material, except with the express written approval from TECNOMECH, and they are free from defects in design, construction and material and are suitable for their intended use. The SUPPLIER also ensures that the PRODUCTS and SERVICES will be provided in accordance with the specifications, models, drawings, projects, descriptions and requirements approved or adopted by TECNOMECH. Any attempt by the SUPPLIER to limit, refuse or restrict any of these guarantees will be null and still devoid of any effectiveness.

4. The warranty period granted by the SUPPLIER is (i) forty-eight (48) months from the date on which the GOODS or SERVICES are operated or (ii) forty-eight (48) months from the date of delivery of the products or from the submission of services regularly accepted, whereas which term for the duration of the guarantee the event that will occur last. These guarantees are intended in favour of TECNOMECH, its successors, assignees of its rights and end-users of goods and services covered by the PURCHASE ORDER.

5. Where the SUPPLIER does not proceed immediately to overcome the defects after a TECNOMECH's request, TECNOMECH, in order to avoid imminent risks or prevent further damage, is authorised to carry out directly or through third parties each suitable correction of the defect at the expense of the SUPPLIER.

6. If the SUPPLIER provides goods for which it does not have the full ownership, the SUPPLIER will give TECNOMECH full indemnity against third parties claims.

7. In the case of goods refurbished or repaired within the warranty, the warranty on the work done will be forty-eight (48) months from the time that the SUPPLIER has completely fulfilled the demands of TECNOMECH.

8. Costs related to supplies of defective goods or services, with particular regard to the costs of transport, processing, inspections and tests will be borne by the SUPPLIER.

9. It is understood that the SUPPLIER is required, at the request of TECNOMECH, to the immediate compensation for any damage suffered by TECNOMECH, resulting from defects in the products or services provided and also with regards of each out of pocket expense incurred by TECNOMECH for these reasons.

10. Where damage has been caused by a defect of the PRODUCT or SERVICE provided by the SUPPLIER, they will indemnify TECNOMECH from any claim made against the TECNOMECH by the end customer or by third parties for product liability.

11. In any case, the SUPPLIER is always directly responsible in the event of damage attributable to the good or service provided with its assumption of any costs and expenses including legal expenses and those of recall of the products. For anything not regulated here the provisions of the law apply.

ARTICLE 12

PROHIBITION OF SUBCONTRACTING AND/OR TRANSFER

1. The SUPPLIER shall not be entitled to surrender as a subcontract or delegate in whole or in part, the implementation of the object of the contract, nor will he have the surrender the credit arising from the PURCHASE ORDER without the prior written permission of TECNOMECH.

2. In the case where the SUPPLIER violates the provision contained in the preceding clause, the parties agree that the SUPPLIER must pay TECNOMECH an amount equal to 30% of the PURCHASE ORDER by way of penalty, without prejudice to the further right to TECNOMECH to obtain immediate compensation for the greater damage and ask for the termination of the PURCHASE ORDER.

ARTICLE 13

WITHDRAWAL - FORCE MAJEURE

1. Where TECNOMECH intends to withdraw from the contract, in whole or in part at its sole option, the SUPPLIER will be paid only for the work performed and materials actually used; nothing will be due for loss of earnings, with express surrender by the SUPPLIER of any eventual right and action, whether in contract, pre and/or non-contractual.

2. In the event of force majeure, labour disputes, interruption of operations outside of the control of TECNOMECH, riots, government measures and other unavoidable events (including a possible cancellation of the PURCHASE ORDER by eventual



the final customer TECNOMECH), without prejudice to any other rights, TECNOMECH shall be entitled to withdraw in whole or in part from the supply contract if these events render the execution of the performance by the SUPPLIER uneconomic for the same TECNOMECH.

ARTICLE 14

TERMINATION BY DEFAULT

1. Except in the case of delay entirely attributable to causes outside the control of the SUPPLIER, and in any case not due to his fault (delay of not more than sixty (60) days), TECNOMECH, upon written notice and without any liability to the SUPPLIER, will terminate all or part of the present PURCHASE ORDER if the SUPPLIER : (a) does not comply with the contract deadlines or any extensions granted in writing by TECNOMECH; (b) does not progress in the implementation of the PURCHASE ORDER, so as to put in doubt the correct execution in respect of contractual terms, according to the reasonable discretion of TECNOMECH; (c) subcontracts or delegates the implementation of the PURCHASE ORDER in whole or in part to third parties without prior written permission of TECNOMECH; (d) is subjected to any bankruptcy or insolvency proceedings, requires or has the appointment of, or is assigned a curator, liquidator or trustee. The above mentioned conditions and assumptions of breach of contract are expressly qualified as relevant by the parties.

2. The termination will be effective within the term of ten (10) days from the notice of default, if the SUPPLIER fails to remedy the situation.

3. As an alternative to termination for default, at its sole discretion TECNOMECH will be able to extend the terms of delivery and/or suspend any other breaches of the SUPPLIER, who will remain responsible for any costs, expenses and damages resulting from such failures.

ARTICLE 15

SUSPENSION OF THE EXECUTION OF THE CONTRACT

1. TECNOMECH reserves anyway and at any time the absolute, and sole discretion to suspend in whole or in part the execution of the contract for a maximum of 3 (three) months, with a notice of twenty-four (24) hours without which for the SUPPLIER is incurred the entitlement to payment of any compensation or indemnification, with express renunciation of the SUPPLIER of any more right and action, whether under contract, or pre and/or non-contractual.

2. During the suspension, the SUPPLIER's obligations remain unchanged, in particular to the custody of our materials is entrusted at the stores and/or installations in yard of the SUPPLIER.

3. The end of the suspension period will be communicated in writing, with the obligation on the part of the SUPPLIER to resume the work immediately after the receipt of such communication.

4. The days of suspension will not be counted among those contractually specified for the purposes of determining the date of delivery.

ARTICLE 16

ACTIONS

1. The SUPPLIER expressly waives the right to any action, also of a possessory nature and/or remand in general, during the effectiveness and validity of the contract.

2. In any case, no action can be exerted by the SUPPLIER if not after the full fulfilment borne by the SUPPLIER on the basis of the contract, valuing what is mentioned here with expressed renunciation as provided for in Art. 1460 of Italian Civil Code, the regulation that may not be opposed even by way of exception.

ARTICLE 17

VARIOUS

1. What is mentioned here cancels, exceeds and replaces every and any previous agreement and/or relationship, however transpired previously between the parties.

2. The possible ineffectiveness of any provision of these conditions or subsequent agreements does not lead to the invalidity of the other conditions; the parties will agree a substitution clause reflecting the most possible financial intention.

3. The form of this contract and any other communication is only and uniquely in writing, validating what is mentioned here also as regards the formation of any tests.

4. Any failure to exercise by TECNOMECH rights arising from this contract will never bring about waiver or acquiescence, but will simply as mere tolerance leaving without prejudice to any right.

ARTICLE 18

APPLICABLE LAW AND JURISDICTION

1. These terms and any orders and contracts concluded between TECNOMECH and the SUPPLIER will be regulated by Italian law. It excludes the application of the Hague Convention on the uniform law on the international sale of goods, of the United Nations Convention on Contracts for the international sale of goods or other conventions concerning the law applicable to the sale of goods.



2. For any dispute arising from these conditions, or connected with the same, as well as arising from the PURCHASE ORDER, through its execution, or interpretation the Court of Bari will have exclusive competence, with express agreement exclusion of any other competitor or alternative court.

ARTICLE 19

OBLIGATION OF COMPLIANCE WITH THE CODE OF ETHICS.

1. The SUPPLIER undertakes to execute this agreement in full compliance with the Code of Ethics, which is an integral part of the Organisational Model adopted by TECNOMECH ex Italian D.Lgs. no. 231/01, who declares to know and accept it.

2. The parties agree that the failure to observe, even partially, the principles set out in the Code will be a serious breach of the contract and will give TECNOMECH the right to terminate ex Art.1456 of Italian Civil Code this contract by sending a registered letter containing a brief indication of the circumstances of fact with regards evidence of the failure.

3. The exercise of the right to terminate the execution of the contract will be to the detriment of the SUPPLIER, in any case except the right to TECNOMECH to obtain the compensation of all damages, whether financial or not, arising from any breach/failure of the object of this termination clause, as well as the right to be harmless against and held free in relation to any action or claim of a third party resulting from such non-compliance or however consequent to it.

Date and place

TECNOMECH ENGINEERING

THE SUPPLIER

Corporate object.....

With registered office in (.....)

In via

Tax Code

In the person of the legal representative

(DATE / SIGNATURE)

(DATE / SIGNATURE)

According to the articles no. 1341 and 1342 of the Italian Civil Code, You have expressly approved as provided for in articles. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19, giving notice that you have read, discussed and fully understood all terms of the contract and these General Conditions.

TECNOMECH ENGINEERING

FOR ACCEPTANCE

(DATE / SIGNATURE)

(DATE / SIGNATURE)

