

ROLLON Srl

General Terms and Conditions of Purchase

I. Scope of application

These general terms and conditions shall govern any purchase by Rollon S.r.l. (hereinafter, “**Rollon**”) of goods and/or services supplied and/or manufactured by third parties (hereinafter, the “**Supplier**”). Each supply contract and/or agreement shall be governed by these general terms and conditions of purchase which, should any divergence arise, shall prevail over the general terms and conditions of sale of the Supplier, save for any waiver expressly indicated in Rollon’s purchase order. Furthermore, any terms and conditions of supply provided for in the purchase order, which diverge from these general terms and conditions shall prevail over the latter.

II. Purchase Orders and completion of each supply agreement

1. Following the Supplier’s submission of the relevant technical offer/estimate, Rollon shall draft and forward to the Supplier the relevant written purchase order by fax, which shall include the following items:

- number of order and of the reference project;
- detailed description of requested goods and/or services, by making reference - if necessary - to the relevant attachments and technical documents;
- reference to the requested quantities;
- date, place of delivery, by indicating any penalty foreseen in the event of any delay and whether freight costs are at Rollon’s expense (carriage forward), or at the Supplier’s expense, as forwarder (carriage free);
- means of transport (by land, road haulage or rail transport, by sea, by airplane);
- unit and total price of each good or service to be supplied;
- payment terms and conditions;
- validity terms of the order, within which the Supplier’s acceptance shall arise or Supplier’s dealing with the order shall occur.

2. Each supply agreement shall be completed as soon as copy of the purchase order is returned to Rollon by fax, duly signed by way of acceptance by the Supplier, bearing the relevant stamp of the supplier, name and capacity of the signatory authorised by the Supplier to said extent.

3. Purchase orders shall also be deemed accepted as soon as the order is dealt with by the Supplier within the validity term of the order, namely, within the seven following working days, by way of the Supplier’s written notice to said extent, whereby the aforesaid commencement of dealing with any order shall be reported in writing to Rollon within the aforesaid final deadline, unless commencement of the dealing with the order is ascertained by any of Rollon’s delegates upon verification of the progress made.

4. Any Supplier’s written notice concerning an order shall always include reference to the purchase order number and to the number of the reference project of Rollon.

III. Obligations of the Supplier

1. Throughout performance of supplies, the Supplier shall have recourse to employees, collaborators and/or advisors (hereinafter, the “**Delegates**”), who shall be qualified, vested with specific technical competences and with proven experience with respect to the types of goods and/or services ordered.

2. Upon Rollon’s approval, the Supplier shall be entitled to partly entrust to sub-suppliers (hereinafter, the “**Sub-suppliers**”), who shall be qualified and fit to perform the goods and/or services purpose of the supply, under management and exclusive responsibility of the Supplier.

3. The Supplier hereby undertakes to regularly comply with all remuneration, (social security and welfare) contributory and tax obligations, concerning own delegates and hereby guarantees pursuant to article 1381 of the Italian Civil Code that own sub-suppliers shall do so, hereby undertaking to hold Rollon harmless and indemnified against any liability for any breach by the Supplier and/or the Delegates and any subcontractors used by same.

4. The Supplier hereby undertakes to deliver to Rollon any technical documentation concerning the supplies, such as the product conformity certificate and the manual for the assembly, use and maintenance of the supplied goods and/or services.

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IV. Prices

Prices agreed and shown in the purchase order have been fixed following the carrying out of the relevant commercial negotiations between Rollon and the Supplier, who hereby acknowledges that same are competitive if compared with the national and international market, remunerative and to its full satisfaction.

V. Purpose of the supply

1. In addition to the single goods and/or services performed upon Rollon's order, the following shall form an integral part of the supply:

- Rollon's purchase of the title to all documents and technical printouts prepared by the Supplier and/or any of its sub-suppliers, with respect to the specific project or product indicated in the purchase order, along with any other necessary document for the assembly, maintenance and use of goods and/or services supplied and, in any event, requested as part of the supply;
- the widest rights of user in favour of Rollon, transferable to third parties, the Supplier's industrial property rights (trademarks, inventions, designs and models) concerning the goods and/or services performed by the Supplier, including the relevant production methods and processes;
- Rollon's right to carry out, or to ensure that third parties carry out, repairs or changes to the goods or documents supplied, as well as to produce, or to ensure that third parties produce, any spare parts.

2. Ordered quantities are binding. Rollon hereby reserves the right to reject any surplus at the Supplier's entire and exclusive cost.

VI. Quality system

1. The Supplier hereby undertakes to adopt, implement and carry out a quality system, which shall be defined - taking into consideration own activities and specific needs - in compliance with the most recent laws and regulations. The Supplier shall keep files of any documentation concerning any internal or external inspections and shall make same available to Rollon's delegates upon request. The Supplier shall furthermore be available to allow Rollon to expedite - at any moment - any accesses, examinations and inspections at the offices and factories of the Supplier and/or of any sub-suppliers, by Rollon's delegates, in order to verify compliance with the relevant quality system.

2. In any event, regardless of whether the Supplier's quality system has been certified by an authorised certifying entity or not, the Supplier shall use, both in the manufacturing operation practice and in the interim or final inspections of manufactured goods, solely test, measurement and control tools duly calibrated with valid and certified calibration by an authorised entity. The relevant certificates showing evidence as to the expiry date shall be made available upon Rollon's request.

VII. Delivery terms

1. The delivery terms indicated in the purchase order shall be binding for the Supplier and shall be deemed of the essence for the purpose of correctly dealing with the order.

2. Furthermore, Rollon hereby reserves the right not to accept delivery of the goods and/or services in the event of supplies dealt with in advance in respect of the established date and to request delivery in compliance with the terms indicated in the order.

3. However, the Supplier shall promptly inform Rollon in writing in the event of any difficulties in the dealing with the order, impediments and/or unforeseen events, which may entail a delay in the relevant deliveries of what ordered.

VIII. Freight and receipt of goods

1. The valid address for delivery purposes is that indicated in the purchase order. The Supplier shall be released from the obligation to deliver by putting the goods for Rollon in the place indicated in the purchase order. Any additional costs deriving from the delivery made in a place other than that indicated in the purchase order shall in any event be at the Supplier's expense.

2. The transport document which accompanies the goods shall always make reference to the reference number of order, by way of necessary and essential condition for payment of any invoices of the Supplier: failing which, invoices shall not be paid. Each transport document shall include a detailed list of the goods, which shall be described as indicated in the relevant purchase order item, by indicating the relevant net weight; furthermore, each transport document shall make reference to a single purchase order.

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Failing the above, Rollon hereby reserves to reject delivery of goods or, at its discretion, debit any costs incurred for the identification of the relevant goods to the Supplier.

3. Each item or parcel delivered shall be identified by a label bearing the minimum necessary indications in order for the good to be unequivocally identified and placed in correspondence with its respective purchase order item (generally: number of order, product code).

4. For each freight/delivery of goods, addressed to Rollon and/or to any third party indicated by the latter in the purchase order, the Supplier shall promptly issue the relevant invoice and shall forward or, in any event, provide Rollon with - in the event of delivery to third parties - the relevant transport documents signed by way of receipt and which shall indicate the date and place of receipt. As a general rule, delivery of goods shall occur as a single delivery; in the event of partial deliveries (provided that same are accepted by Rollon), each transport document shall include reference as to the fact of being a partial or final delivery.

5. The weight of goods purchased on a ponderal basis shall be measured with certified tools.

6. Dangerous materials shall be packed at the expense and under the responsibility of the Supplier, in compliance with the laws in force and with applicable regulations; packages shall bear the labelling requested by international security laws and regulations for the transportation of the aforesaid materials, taking into consideration the type of transportation foreseen as defined in the purchase order (land/sea/air). Any applicable requirement concerning the documentation for the safe handling, conservation and transport of the goods, the capacity and type of container to be used, along with the protection to be foreseen, shall be complied with at the expense of and under the responsibility of the Supplier. In the event of rail transport, the Supplier shall issue the transport documents as requested by the carrier. The Supplier shall be liable for any damage arising out of negligence in the aforesaid respect. The Supplier shall hold Rollon harmless and indemnified from any damage which may arise out of the breach of the aforesaid Supplier's obligations.

IX. Revocation of the order and withdrawal by Rollon

Rollon shall at any moment be entitled to revoke the purchase order and/or to withdraw from the supply agreement upon revocation of the order by Rollon's final client, or should Rollon deem it expedient to suspend the relevant supply to take advantage of other market opportunities, by serving prior written notice on the Supplier to said extent, subject to at least 10 (ten) days prior notice, by way of recorded delivery letter or fax; upon receipt of said notice, the Supplier shall immediately suspend any activity concerning the purchase order. In any event, Rollon shall pay to the Supplier the contractual price of whatever may have been already delivered and shall reimburse same - in respect of anything pending delivery - for any expenses incurred up to said moment by the Supplier, whereby the Supplier hereby expressly waives requesting Rollon any compensation and/or indemnity in connection therewith.

X. Invoicing and payments

1. Payments shall be made within the terms foreseen in the purchase order, regardless of any early delivery with respect to the established date.

2. Unless otherwise indicated in the purchase order, any Supplier invoices shall be paid at the end of the month following completion of the supply, following issuance and delivery by the Supplier of the relevant invoice.

3. Each invoice shall make reference to a single order, whose number shall be shown on the invoice: invoices failing said data and/or incomplete invoices shall be rejected.

XI. Contractual conformity warranty – termination clause

1. The Supplier shall deliver to Rollon and/or to third party clients indicated by the latter, supplied goods/services which conform to the requirements foreseen in the purchase order and/or in the supply agreement, free of any operation vices or defects, fit for customary use and/or for the specific use at which same are aimed and performed in compliance with applicable laws and regulations.

2. The contractual conformity warranty granted by the Supplier shall have an overall duration of 24 (twenty-four) months, effective as of completion of the supply, save for in the event in which the purchase order and/or the supply agreement foresee a good inspection and acceptance operation test, whereby the contractual warranty period shall be effective as of the date on which said test is passed and of Rollon's acceptance of the supply. Any approval by Rollon of designs or documents produced by the Supplier, as well as any acceptance of the supplied goods/services shall in no way release the Supplier from its liabilities undertaken upon acceptance of the purchase order with respect to the granted conformity warranty.

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3. Any conformity vices or defects ascertained by Rollon shall be reported in writing to the Supplier within 2 (two) months as of discovery thereof, by indicating the precise description of the ascertained defect. The aforesaid reporting shall not be necessary if the Supplier has acknowledged existence of the defect or if it has concealed same.

4. Rollon shall be entitled to request to the Supplier, at its own discretion, whether to repair the goods or to replace same, for free in both cases. The Supplier shall carry out any requested repair or replacement in the shortest possible timeframe, within 10 (ten) calendar days as of the relevant request, by incurring the entire related expenses, including any additional expenses (freight costs, labour and materials).

5. In the event of an urgency or of breach/untimeliness of the Supplier when carrying out the repairs or replacements foreseen by the warranty, Rollon shall be entitled to expedite same on its own initiative by debiting the relevant expenses to the Supplier, who shall reimburse same upon request, following submission of the relevant receipts. The aforesaid right, in any event, without prejudice to Rollon's right to request a fair price reduction, to revoke the purchase order or to terminate the supply agreement should any of the following circumstances arise:

a) impossibility to repair and to replace;

b) the Supplier has not repaired or replaced the good within the deadline foreseen under paragraph 4) of this article;

6. Replaced parts under warranty by the Supplier shall enjoy an equal warranty period, effective as of the replacement date.

XII. Force Majeure

1. The Supplier shall in no way be liable for any breaches and/or delays due to force majeure events, whereby the latter shall mean any events and/or circumstances of exceptional and/or unforeseeable nature such as wars, revolutions, sabotages, epidemics, fire, explosions, earthquakes, floods, national and sector strikes, impediments due to specific legislative measures or any equally serious impediment regardless of the intention of the parties and of unforeseeable nature.

2. Any delays due to the following, by way of example, shall not be deemed force majeure events:

- stoppage and/or suspension of the Supplier's activity imposed by the Authorities upon the Supplier's breach of the relevant safety regulations by the Supplier;
- Supplier's delay in the procurement of materials and/or services;
- delays in the deliveries of Supplier's sub-suppliers;
- strikes limited to the premises and employees of the Supplier, including micro conflicts, states of unrest, along with the participation of Supplier's employees in strikes of any type other than national or sector strikes.

3. Occurrence of any force majeure event shall be promptly reported by the Supplier in writing, within the 3rd (third) day as of occurrence of the event. The aforesaid notice shall convey sufficient explanation as to the force majeure cause and as to the foreseeable duration. Rollon hereby reserves the right to request to the Supplier, in addition to the aforesaid written notice, a certificate of the Chamber of Commerce, Industry, Handicrafts and Agriculture of the place where the Supplier does business, or of any other authority acknowledged by Rollon, certifying the truthfulness of the facts indicated in the aforesaid declaration.

4. Should the force majeure event persist or should persistence for a period in excess of 15 (fifteen) days be foreseen, Rollon and the Supplier shall meet to define the criteria to be complied with for the carrying on or termination of the supply agreement. Should the force majeure event persist in excess of 30 (thirty) days, or for any other greater term agreed by the parties, Rollon shall be entitled to terminate the supply agreement pursuant to article XIV. In any event, the Supplier shall undertake to prepare all possible remedies in order to reduce the damaging effects caused to Rollon by the force majeure event.

XIII. Advertising prohibition – confidentiality obligation

1. Any reference to the purchase order or to the relationships existing between Rollon and the Supplier with respect to the advertising material produced by the Supplier or to the communications to third parties by the latter shall be previously approved by the Purchaser in writing.

2. The Supplier hereby undertakes, in its own name and on behalf of own delegates and sub-suppliers, subject to compensation for any damages incurred by Rollon, not to spread news, information, data, documents concerning products, plans, the manufacturing activity, methods and processes, the organisation, commercial

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and contractual relationships of Rollon with third parties (hereinafter, the “**Confidential Information**”), of which same may take cognisance on the occasion of the supplies ordered to same, regardless of the Confidential Information being made available by Rollon or not.

3. The Confidential Information shall include any actions and activities carried out by the Supplier to perform the supplies ordered by Rollon. Instead, the information in respect of which the Supplier may prove the following shall not fall within the Confidential Information:

- The Supplier is already aware of same, or are of public domain, at the moment in which it is communicated by Rollon;
- after having been communicated, same become of public domain for reasons which have nothing to do with a breach of the Supplier and/or delegates and/or sub-suppliers used by same, with respect to the confidentiality obligations foreseen by the general terms and conditions of purchase hereof.

4. The Supplier hereby undertakes, also with respect to own Delegates and/or Sub-suppliers:

- a) to consider the Confidential Information as strictly confidential and to adopt any necessary measures in order not to jeopardise the confidentiality of said information;
- b) not to use the Confidential Information in any way which may cause a damage to Rollon;
- c) not to spread the Confidential Information, save for the events in which spreading thereof is the result of a legal need or a need to comply with directives of any supervisory Authority, or to Delegates, Sub-suppliers, agents, professionals and advisors for whom cognisance of said information is strictly necessary in order to perform the relevant supplies, without prejudice to the undertaking of the Supplier to inform said persons on the relevant confidentiality obligations and on the limits to the use of the Confidential Information.

5. The confidentiality obligations shall in any event remain valid for 10 (ten) years as of completion of the supply.

6. The entire documentation made available to the Supplier for the completion of the order shall be the ownership of Rollon and shall be returned upon Rollon’s request.

XIV. Termination of the supply agreement

1. Rollon shall be entitled to terminate the supply agreement pursuant to section 1456 of the Italian Civil Code, in the following events:

- 1) breach and/or infringement of the technical specifications supplied by Rollon and indicated in the purchase order;
- 2) delay in the supply by the Supplier in excess of 10 (ten) days, without prejudice to the right to request to the Supplier compensation for any damages incurred as a result of the delay, regardless of the provision of any penalty included in the purchase order;
- 3) upon failure of the Supplier to expedite repair and replacement of the good within the deadline foreseen under article XI paragraph 4;
- 4) should the force majeure events foreseen under article XII, paragraph 4, persist for a period in excess of 30 (thirty) days or of the greater term which may be agreed between the parties on a case per case basis.
- 5) breach by the Supplier of the regulation in force on own staff remuneration, social security and welfare contributions and on any provisions of accident-prevention safety;
- 6) upon delayed payment of the debts of the Supplier with its own sub-suppliers;
- 7) Supplier’s insolvency, should the latter be subject to voluntary liquidation, out-of-court composition, bankruptcy or any other insolvency proceedings set forth under Italian Royal Decree No. 267 dated 16 March 1942, or upon any unequivocal evidence such as to be able to assume that the Supplier is to be subject to the aforesaid proceedings;

2. Termination of the supply agreement may be served immediately on the Supplier by way of recorded delivery letter or, at Rollon’s discretion, same may be preceded by prior warning to perform, by way of formal notice in writing served on the Supplier to remedy the challenged facts within 15 (fifteen) days, lapsing which the supply agreement with the Supplier shall be deemed terminated by full right and Rollon shall be entitled to be compensated for any damages.

3. In the events provided under paragraph 1, Rollon shall in any event be entitled to exercise the option to collect the raw materials or semi-finished goods or any other materials concerned, by expediting payment of an equitable consideration.

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XV. Amendments to the purchase order

Any amendments to the purchase order shall solely be valid if agreed and proven in writing, subject to nullity thereof pursuant to article 1352 of the Italian Civil Code, and shall in no way jeopardise validity of the remainder terms and condition not subject to amendment thereto.

XVI. Severability of clauses

Any nullity, annulment and/or ineffectiveness of one or more clauses of the general terms and conditions of purchase hereof shall in no way jeopardise validity of the remainder clauses, which shall in any event remain valid and effective.

XVII. Processing of personal data

The Supplier hereby represents to have examined the information notice pursuant to article 13 of Italian Legislative Decree No. 196 dated 30 June 2003 (the Data Protection Code) and the rights of the data subject foreseen under article 7 of Italian Legislative Decree No. 196/2003, by authorising processing of own personal data, that of own delegates and sub-suppliers and the relevant notice to the persons listed in the aforesaid information notice, for the purposes listed therein.

XVIII. Governing Law and exclusive jurisdiction

Italian law shall govern the supply of goods and services.

The Court of Monza shall have exclusive jurisdiction over any dispute which may arise between Rollon and the Supplier out of the interpretation and/or performance of the general terms and conditions of purchase herein and out of any single supply agreement governed by said parties.

Read, agreed and executed

Place _____, date _____

THE SUPPLIER

(Stamp of the company and legible
signature of its legal
representative)

For the purposes and to the extent of article 1341 of the Italian Civil Code, the following terms and conditions are hereby specifically approved following the relevant re-reading thereof: article IV (non-changeability of supply prices); article VII, paragraphs 1, 2 (terms of the essence of the delivery, rejection of early performed supplies); article VIII, paragraphs 1, 2, 6 (place of delivery, details to be shown on the transport document, Rollon's exemption from liability); article IX (order revocation and waiver of Rollon); article XI (contractual conformity warranty) article XII (force majeure); article XIII (advertising prohibition – confidentiality obligation of the Supplier); article XIV (termination of the supply agreement); article XV (amendment to the purchase order); article XVIII (governing law and exclusive jurisdiction).

Place _____, date _____

THE SUPPLIER

(Stamp of the company and legible
signature of its legal
representative)