

General Supply Conditions

of Loccioni, Italy (AEA srl, General Impianti srl, Summa srl)

1. Acceptance of conditions

All supply relationships between one of the companies of Loccioni (AEA srl, General Impianti srl, Summa srl), and the supplier will be stated – together with the conditions step by step expressed in the Loccioni Purchase Order – by the following General Supply Conditions that the Supplier declares to know and totally accept in full and without any exception.

Loccioni does not accept the Supplier' sale terms and conditions unless obtaining a formal written acceptance document by Loccioni. In any case the acceptance or even the payment of goods or services must be intended as acknowledge or implicit confirmation of the conditions stipulated by the Supplier.

Loccioni has the right to revoke and to consider the Purchase Order as null and void until it gets the acceptance or written confirmation of the Order itself; the supply execution by the supplier will be intended in any case, as acceptance of the conditions present in the Order.

The Order confirmation must at least include for every contractual properties: price, quantity and delivery date. The confirmations obtained by fax or e-mail will be considered as valid.

The estimates will have binding force and will not provide any charge for the Supplier.

2. Definitions

Within the General Conditions, the following expressions will have the meaning hereafter attributed: (a) "Contractual Good or "Good" must be intended as whatever product or service contained in a Loccioni Purchase Order; (b) "Compliance with the agreement" or "Conforming to the withdrawal", with reference to the Contractual Good, must be intended as: (b1) Presence of all the characteristics, quality and skills indicated or referred to in the Purchase Order, as well as of all those expected according to law; and (b2) Eligibility to the particular intended use and/or result indicated or referred to in the Purchase Order and, in any case, the one usually expected by Contract Goods of the same type; as well as (b3) absence of any other defect or fault; and (b4) compliance with the technical specifications, executive drawings, acceptance protocols provided (d) "Defect" or "Defective" must be intended as any non-compliance of the Contractual Good with respect to one or more of the Compliance Items listed above..

3. Contractual Obligations and modifications

The Supplier assumes full responsibility towards Loccioni for all the obligations deriving from the Purchase Order.

The Supplier must ascertain that, in good time, he has obtained all the relevant information to fulfil the established deliveries and contractual obligations.

The Supplier guarantees that the Good includes all the required performances for a correct, safe and cheap use; it also guarantees that the Goods are suitable for the intended use and compliant with the state of the art and that, in their development, have been carried out, or will be carried out, all the tests, checks and approvals necessary to verify, certify and guarantee compliance with the Contractual Agreement. The Supplier undertakes to supply to Loccioni, if required in the Purchase Order, appropriate written certification of the foregoing.

When transporting and delivering the Goods, the Supplier will observe all relevant laws, in particular those concerning the transport of dangerous materials and goods, environmental protection and accident prevention, specific laws concerning medicine and occupational safety.

In case the Good is shipped in Carriage Paid, the Property will travel at all risks of the Supplier.

4. Services

The performance standards required by Loccioni, the configurations and the goals specified by it will not exempt the Supplier from its obligation to provide technical solutions without defects. Additional services or modifications carried out without prior authorization of Loccioni will neither be realized, nor considered as basis for claims by the Supplier.

If not differently provided in the contract, drawings, descriptions, calculations and all what is carried out by the Supplier (or by third parties to whom these activities have been subcontracted) will be transferred to Loccioni at the at the time of their realization without being borne by the latter no remuneration obligation.

The parties agree that the Supplier and the third parties will not only have no right over these works, which will then become fully owned by Loccioni, but also that Loccioni will not have to pay any amount to the Supplier, considering that the fee for their creation is included in the one destined to the Supplier and third parties for their realization.

Loccioni, moreover, must be immediately informed in case the Good rests in industrial or intellectual property rights, or even if there is only the risk.

Loccioni reserves all rights to the documents made available, even if an invention patent is granted or a utility model is registered. Any right of retention by the Supplier is excluded.

The possible inventions made by the Supplier during the assignment, patentable or not patentable,, will be an exclusive property of Loccioni without any payment for the Supplier. The latter will adopt suitable measures for the sudden transfer to Loccioni of , unless otherwise provided for in the contract.

Loccioni will have the right to use the software (also as a source) and the related documentation connected to the purchased good / service provided, according to the characteristics of the agreed performance and within the limits provided for the sw usage. Loccioni will also have the right to duplicate the sw as a backup copy, even without express authorization.

In any case, the Supplier, together with the supply, will have to provide Loccioni with all the documentation necessary to set up the software use (for example the instruction and operation manuals, installation and assembly ones and warranty certificates).

5. Prices/Payments

The prices indicated in the Order are fixed and not variable throughout the whole validity period of the contract of the Purchase Order. They also extend to open orders.

If not differently stated, payment will occur according to the conditions established in the relevant Purchase Order. Payment will be made by bank transfer.. The payment deadline is calculated according to what is established in the order(a) by the end of the services and (b) by the receipt of the related and verified invoice..

The Supplier is not authorized to yield, under any form, a payment due from Loccioni or credits coming from supply to third parties (assignment of the credit).

Quotations, tests, samples, visits must be considered as exempt from payment and do not represent any obligation for subsequent Orders.

Loccioni will have the right to suspend, as a precautionary measure, the payment of its debts towards the Supplier, up to the competition of the amounts eventually charged under penalty by Loccioni to the Supplier.

The invoice payment does not represent any implicit acceptance of Goods.

6. Methods and terms of delivery

Without any other explicit agreement, the final place for all deliveries and services is the destination specified by Loccioni in the Purchase Order.

The shipment modality allowed is the carriage paid.

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For each order, the Loccioni provisions related to means of transport and place of delivery contained in the Order itself shall apply, according to the most recent Incoterms version and at a place defined by Loccioni; if not differently required, the return conditions will include the packaging, the protection and the custody of the Goods.

The goods must be packed and protected in accordance with the practices in use; Loccioni will be authorized to inform the Supplier about the packaging type and method.

The Supplier, whereas provided by the return conditions of the Purchase Order must refund the damages deriving from any delay, loss or damage due to the shipment and the transfer of the Goods.

The Supplier guarantees the quantitative conformity of the delivered Goods, both with respect to what is stated in the transport document.

Loccioni declines all responsibility on the Goods supplied in excess or in advance of the contractual conditions, even if such Goods had been temporarily accepted by the warehouses.

In case there is a quantitative non-conformity of the Goods with respect to the agreed delivery schedule or as required in the Purchase Order, Loccioni will have the following possibilities: (a) reject any quantities of the shipment/performance exceeding results or, at its discretion, the entire shipment/performance proved to be deficient or excess, with the faculty, where the supplier does not consider the immediate withdrawal, to provide with a new shipment at the expense and risk of the Supplier; (b) require that the Supplier immediately provide for the shipment/provision of the missing quantity, being understood that any greater burden or expense for the urgent integration of the shortfall will be the sole responsibility of the Supplier. Loccioni claims for the items discussed in this point will be communicated to the Supplier within 30 calendar days from the date of receipt.

7. Delivery dates

Confirmed and agreed delivery times are mandatory. The requirement of the date or delivery time will be deemed satisfied if Loccioni or the addressee determined by our company has received the Goods on the day and in the agreed place.

The Supplier will have to notify any delay in the delivery as soon as it becomes aware of the new delivery forecast.

In case failure to comply with the terms of delivery of the Contractual Benefit, Loccioni, without prejudice to its right to compensation for the greater damages suffered, will have the possibility to choose among the following even cumulative faculties: (a) procure, in whole or in part, by other Suppliers the Goods not delivered within the terms indicated in the Purchase Order, at the expense and risk of the defaulting Supplier (b) immediately terminate the contract by means of a simple written communication to the Supplier.

If the Goods are delivered in advance respect to what established, Loccioni reserves the right to withdraw them or not; in case of missed withdrawal, the return of Properties or their temporary stock, will be charged to the Supplier (both in terms of costs and responsibility) until the agreed delivery date.

8. Confidential information

The Supplier will have to keep all information strictly confidential (drawings, documents, communications, know-how, sampling, production devices, models, equipment); cannot disclose such information to third parties (included subcontractors) without prior Loccioni agreement and cannot use such information for different purpose respect to the already agreed ones.

Such obligations apply without any limitation also to copies and duplicates except in cases where it is necessary to comply with legal obligations or requests of public authorities to which a legitimate refusal cannot be made.

9. Supplier responsibility

Loccioni policy is to use only Goods / Services completely and fully compliant with its requirements. Consequently, in the case of non-compliant details identification, Loccioni will adopt all necessary actions to avoid that these parts are used in its products.

The Supplier will supervise and is always responsible for the quality of the Goods and Services to be supplied; he guarantees the Goods delivered/supplied as totally compliant with the Negotiation and, in any case, free of defects, for a total period of 24 months from delivery.

If the Supplier uses third parties to perform services, he will be considered as responsible for these third parties as well as for every other person/society employed in the contractual obligation.

10. Control of Contractual Goods and Defects management

Loccioni will immediately check the received Goods verifying only the external apparent defects and the differences appearing in the identification of the product or in the volume/quantity. Loccioni will inform the Supplier of the detection of such defects in the shortest possible time. The Loccioni control will carry out an analysis in percentage of the Goods delivered. Once a defect has been identified, Loccioni will be authorized to return the whole batch or shipment. Loccioni will have the right to carry out further checks on the Goods received.

For the defects found in a phase subsequent to the acceptance of the Good/Service and linked to the provision of the same, Loccioni will send the notice of such defects as soon as they have been detected during ordinary use. With regard to this aspect, the Supplier waives the right to claim that the defects have been communicated too late.

In relation to the Defects or non-compliance to the Negotiation detected in the period between the Goods delivery and the Warranty expiry date, Loccioni will choose among the following possibilities: (a) demand the immediate free replacement of Defective goods; (b) demand the immediate reworking or repair of the Goods considered as Defective by Loccioni to make them compliant, with the simultaneous availability, if possible, to Loccioni of temporary replacement goods. (c) entrust the aforementioned repair to third parties at the expense and risk of the Supplier (d) reject or return the Goods, charging the Supplier for the relative supply price and the higher costs occurred for replacement with alternative products available on the market (e) internally repair the defects with costs borne entirely by the Supplier; (f) immediately terminate the contract with the Supplier, by means of simple written communication to the Supplier.

If the Supplier does not fulfil with its obligations, Loccioni will be immediately entitled to the total or partial cancellation of the Order and to request for refunding of expenses incurred and compensation for damages.

The declared non-compliant and discarded good will be available at the Loccioni premises to be viewed or withdrawn at the expense of the Supplier up to 30 calendar days from the date of the first communication of the acknowledgment. After this date without receiving any order by the Supplier, the Good will be wrecked.

11. Other

Every contractual relationship, Purchase Order, and the current General Conditions will be ruled by the Italian Republic laws and by the European Convention on contracts for the international sale of goods and services (CISG).

Loccioni will have the right to terminate the contractual relationship arising from the Purchase Order at any time by means of a written communication addressed to the Supplier, expressing the willingness to make use of this current termination clause, in case of non-compliance with one or more of the obligations described in paragraphs III, VII, VIII, IX.

The Supplier will allow free access to its production facilities of the Contractual Goods to Loccioni representatives, its Clients and supervisory or governmental authorities and bodies..

The formal acceptance of these conditions represents a qualification parameter for the suppliers evaluation in the industrial quality system.

For every dispute, the current legislation is the Italian one and the competent court is the Court of Ancona.