

GENERAL TERMS AND CONDITIONS OF PURCHASE

(Version 01/2020 – Rev. 01)

These terms and conditions of purchase shall apply to all supply of goods to Buyer unless derogated by specific provisions contained in Buyer's purchase order and/or its special contract conditions that will supersede any different and/or conflicting provision set forth herein.

1. Acceptance; Agreement. Supplier's commencement of work on the goods or services subject to this purchase order or shipment of any such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms contained on the face and reverse hereof. Any proposal for additional or different terms or any attempt by Supplier to vary, in any degree, any of the terms of this offer in Supplier's acceptance is hereby objected to and rejected. Supplier's changes or additions to the purchase order shall be valid only and exclusively if duly accepted in writing by Buyer. Until the acceptance, Buyer shall have the right to modify and/or amend the purchase order without Supplier being entitled to claim, except, cavil or demand whatsoever.

2. Right to withdraw. In case of acceptance of this order by the Supplier, Buyer reserves the right to withdraw from the contract hereof or from any part of it for its sole convenience. In the event of such withdrawal, Supplier shall immediately stop all work hereunder, and shall immediately cause its suppliers or subcontractors to cease such work. Buyer will reimburse Supplier for reasonable expenses (which shall not include indirect costs, cost of material or lost profits) resulting directly from any such withdrawal for convenience. Supplier shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Supplier's suppliers or subcontractors which Supplier could reasonably have avoided. Supplier shall not unreasonably anticipate the requirements of this order.

3. Termination for Cause. Buyer may also terminate this order or any part hereof for cause effective immediately upon the receipt of the relevant notice of termination in the event of any default by the Supplier, any late deliveries, deliveries of goods or services which are defective or which do not conform to this order, or fails to provide Buyer, upon request, with adequate assurance of future performance. In the event of termination for cause, Buyer shall not be liable to Supplier for any amount, and Supplier shall be liable to Buyer for any and all damages sustained by reason of the circumstances, which gave rise to the termination for cause. If it should be determined that Buyer has improperly terminated this contract for cause, such termination shall be deemed and considered as exercise of the right to withdraw pursuant to article 2 above, and Supplier waives to claim, object or cavil whatsoever.

4. Changes. Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly. Supplier agrees to accept any such changes subject to this paragraph.

5. Warranty. Supplier warrants that it has good title to the goods and the right to sell them to the Buyer free of any security interest, lien or any other encumbrance whatever. Supplier expressly warrants that all goods or services furnished under this agreement shall conform in every respect to any specifications, drawings, samples or descriptions provided by Buyer or upon which this order is based and shall be new, of the highest quality, and free from defects, defect in design (to the extent that Supplier's expertise was utilized in design of the products), in material or workmanship. Supplier warrants that all such goods or services

will conform to any statements made on the containers or labels or advertisements for such goods or services, and that any goods will be adequately contained, packaged, marked and labelled. Supplier warrants that the goods or services shall conform to any and all applicable technical and safety provisions and comply in all respects with any and all applicable industry, federal, state and local laws, regulations, directives and standards including, but not limited to, those concerning safety, labor, health, environment and fire. Supplier further warrants that all goods or services furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which goods or services of that kind are normally used. If Supplier knows or has reason to know the particular purpose for which Buyer intends to use the goods or services, Supplier warrants that such goods or services will be fit for such particular purpose. Supplier warrants that goods or services furnished will conform in all respects to samples. Inspection, testing, acceptance or use of the goods or services furnished hereunder shall not affect the Supplier's obligation under this warranty, and such warranty shall survive inspection, testing, acceptance and use. Supplier's warranty shall run to Buyer, its successors, assigns and customers, and users of products sold by Buyer. Supplier agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such nonconformity by Buyer, provided Buyer elects to provide Supplier with the opportunity to do so. In the event of failure of Supplier to correct defects and/or replace nonconforming goods or services promptly, Buyer, after reasonable notice to Supplier, may make such corrections or replace such goods and services and charge Supplier for the cost incurred by Buyer in doing so.

The above warranty shall be valid for a period of 24 months from, as applicable, the performance of the services, the sale of Buyer's product incorporating the goods (in case of start-up and commissioning from such date) or the sale of the goods by Buyer to its customer or third party whatsoever.

6. Price Warranty. Supplier warrants that the prices for the goods or services sold to Buyer hereunder are not less favourable than those currently extended to any other customer of Supplier for the same or similar articles in similar quantities. In the event Supplier reduces its price for such articles during the term of this order, Supplier agrees to reduce the prices hereof correspondingly. Supplier warrants that prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without Buyer's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labelling, custom duties, taxes, storage, insurance, boxing, and crating, that shall be borne by the Supplier. In the event that no price is stated in the order, the price shall be deemed to be the price last supplied to Buyer or the current market price, whichever is lower.

7. Force Majeure. Without liability to Supplier, Buyer may, at its own exclusive discretion, delay delivery or the acceptance of the products or services furnished pursuant to this purchase order, or cancel this order completely, as a result of circumstances beyond Buyer's control which make performance commercially impractical including, but not limited to, acts of God, fire, unusually severe weather, flood, acts of war, government action, accident, labor difficulties or shortage, or inability to obtain materials, equipment or transportation, without Supplier being entitled to claim, except, cavil or demand whatsoever. In the event of a delay,

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Società soggetta all'attività di direzione e coordinamento di Lorenzo Holding S.r.l. Unipersonale



(* sito coperto da certificazione ISO 9001, ISO 14001 ed OHSAS 18001



Supplier shall hold goods subject to such delay at the direction of the Buyer and shall deliver them when the causes affecting the delay have been removed, in compliance with the latter's instructions.

8. Payment; Taxes and Duties. Payments shall be conditional upon goods or services being supplied in all respects in accordance with the purchase order and upon supply to the Buyer of a proper invoice from the Supplier. Such invoice shall correctly specify the purchase order number, order date, a description of the goods or services supplied, the date of supply, and the sum due and properly addressed and referenced. Unless otherwise stated, terms of payment shall be sixty (60) days, end of month, from invoice date. For accounting reasons, payments due in December and August will be extended to the 10th of the following month. Supplier shall be solely responsible for filing all appropriate tax forms and paying all applicable tax, duty, export preparation charges and export documentation charges resulting from the purchase of the goods or services under this agreement. Payment for the goods or services delivered hereunder shall not constitute acceptance thereof.

9. Inspection/Testing/Quality. Buyer shall have the right to inspect such goods or services and to reject any or all of said goods or services which are in Buyer's good faith judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Supplier at its expense and, in addition to Buyer's other rights, Buyer may charge Supplier all expenses of unpacking, examining, repacking and reshipping such goods. In the event Buyer receives goods or services whose defects or nonconformity is not apparent on examination, Buyer reserves the right to require replacement, as well as payment of damages as determined by Buyer, to be paid at first demand. In no event any claim related to such damages, including but not limited to its amount or enforceability, could cause the suspension or delay their payment by the Supplier.

Nothing contained in this purchase order shall relieve in any way the Supplier from the obligation of testing, inspection and quality control. To this extent, Supplier shall, at its sole expenses and liability, carry out: (i) all verifications on drawings, documents, technical specifications - even if supplied by the Buyer - in order to verify the compliance with the requirements set forth in this purchase order and the performance or use of the goods which they are intended to; (ii) all tests eventually set forth in the purchase order or prescribed by any applicable law - Supplier's, Italian or the legislation of the State of destination of the goods - on raw materials and components, during the production cycle and, at the end of work, in order to warrant and certify the goods quality and compliance as well. Supplier will maintain quality assurance systems for the control of material quality, processing, assembly, testing, packaging and shipping in accordance with its usual policies and practices. Supplier will use its best efforts to prevent and, as applicable, will promptly remedy, any conditions within its control that could compromise the quality or reliability of the goods or the manufacturing process. Supplier agrees to inform Buyer of any plans or intentions to change its quality system or any production technique, testing technique, packaging technique, location, fire protection measures, materials used, engaged sub-suppliers or any other change which may adversely affect the products or require re-listing or certification of the products.

Supplier will permit Buyer or its representatives, at Buyer's expense and subject to Supplier's reasonable security requirements, to perform quality audits of the facilities and processes used in manufacturing goods during normal business hours. Supplier will provide Buyer with access to its facility and process control information, books and records which are specifically related to Supplier's obligations under this agreement, and as may be required by Buyer to verify compliance with this agreement.

10. Delivery; Packaging. Supplier is aware of the importance for Buyer of timely deliveries and recognizes that time is of the essence in every delivery of product. In the event of late deliveries

Supplier shall compensate Buyer for liquidated damages at 5% of the invoice price per each commenced week of delay. Liquidated damages accrue up to a maximum level of 20% of the invoice price without prejudice to claim for any further damages and/or losses incurred as a result hereof (including losses for production stoppage). Supplier acknowledges that the amount of pre-liquidated damages is fair, correct and therefore waives to claim, cavil and object its validity and value as well.

In addition to the above and Buyer's other rights and remedies, Buyer reserves the right without liability to immediately terminate this order by simple written notice effective when received by Supplier as to goods not yet shipped or services not yet rendered and to purchase substitute items or services elsewhere and charge Supplier with any loss incurred. Buyer shall not be obligated to accept early, late, partial or excess deliveries.

In no event Supplier shall suspend or delay delivery, even in case of failure or delay in payment, claim, demand or controversies whatsoever.

Supplier shall, at its own cost and expenses, provide with the packaging of the goods, which shall be fit for preventing any damage during the transport until the delivery of the same to the Buyer.

11. Title and Risk of Loss; Shipment. Unless otherwise specified in writing, title and risk of loss of all goods covered by this order shall pass to the Buyer DDP, Buyer's Premises (Incoterms 2020). If in order to comply with Buyer's required delivery date it becomes necessary for Supplier to ship by a more expensive way than specified in this purchase order, any increased transportation costs resulting therefrom shall be paid for by Supplier unless the necessity for such rerouting or expedited handling has been caused by Buyer.

12. Confidentiality; Advertising. Supplier shall consider all information furnished by Buyer (hereinafter referred to as "Information") to be confidential and shall not disclose any such Information to any other person, or use such Information itself for any purpose other than performing this agreement, unless Supplier obtains written permission from Buyer to do so. Information shall include without limitation, any customer, prospect and price lists, plans, photographs, designs, component designs, drawings, blueprints, specifications, inventions, technical data, trade secrets, and any other materials relating to this order or to the business of Buyer. All Buyer Information is and shall remain the property of Buyer. Upon Buyer's written request or the termination of this agreement, Supplier shall return to Buyer all Buyer Information. In no event will Supplier use less than the degree of care and means that it uses to protect its own confidential information of like kind, but in any event not less than reasonable care to prevent the unauthorized disclosure or use of Buyer's Information. The Supplier will not, without the prior written consent of the Buyer, advertise, publicly announce or provide to any other person information relating to the existence or details of the Order or use the Buyer's name in any format for any promotion, publicity, marketing or advertising purpose. Unless otherwise agreed in writing, no commercial, financial, or technical information disclosed in any manner or at any time by Supplier to Buyer shall be deemed secret or confidential and Supplier shall have no rights against Buyer with respect thereto except such rights as may exist under patent laws.

13. Buyer Property. All equipment, jigs, tools, drawings, fixtures, dies, moulds, patterns, materials and other such items supplied to the Supplier by or at the expense of the Buyer shall remain the Buyer's property. Supplier will maintain such items in good working order. The Supplier shall ensure that the above items are clearly marked and stored as being the legal property of the Buyer and that they are not used for contracts for any third party. While such items are in the possession of the Supplier, the Supplier shall make provision to adequately insure, against all normal risks, all such items that are the property of the Buyer, and Buyer shall be named as an additional insured.

Supplier shall make no changes, alterations, installations, additions or improvements in or to the above listed items of any nature whatsoever without Buyer's prior written consent. Buyer



shall have the right to access to view and inspect such at any time and whether or not Supplier shall be present. In any case Supplier shall co-operate in order to make such visit profitable. Buyer shall not be considered liable for any damage suffered by the Supplier deriving from and/or connected with the use of such items and, therefore, waives to claim, cavil or object whatsoever.

14. Ownership of Work Product. All materials, and any inventions (whether or not patentable), works of authorship, trade secrets, ideas, concepts, trade names and trade or service marks created or prepared for Buyer (collectively "Inventions"), shall belong exclusively to Buyer. Standard goods manufactured by Supplier and sold to Buyer without having been designed, customized, or modified for Buyer do not constitute Inventions. Furthermore, any works conceived or reduced to practice by Supplier which were developed entirely on Supplier's own time without using equipment, suppliers, facilities, or Buyer's information do not constitute Inventions. Supplier hereby assigns the worldwide right, title and interest in and to the Inventions to Buyer. Buyer shall have the right, at Buyer's option and expense, to seek protection by obtaining patents, copyright registrations, and filings related to proprietary or intellectual property rights. Supplier agrees to execute, and to cause its employees to execute, such documents, applications, and conveyances and to supply information as Buyer shall request, in order to permit Buyer (at Buyer's expense) to protect, perfect, register, record and maintain its rights in the Inventions and effective ownership of them throughout the world. These obligations survive the expiration or termination of this agreement. Supplier shall not be entitled to claim, cavil or object whatsoever.

15. Insurance. In the event that Supplier's obligations hereunder require or contemplate performance of services by Supplier's employees, or persons under contract to Supplier, to be done on Buyer's property, or the property of Buyer's customers, the Supplier agrees that all such work shall be done on an independent contractor basis and that the persons doing such work shall not be considered employees of the Buyer. Supplier and/or independent/sub-contractor, if applicable, shall maintain all necessary and adequate insurance coverage, including public, product, auto liabilities and worker's compensation insurance. Supplier shall indemnify, defend and hold harmless Buyer from any and all claims or liabilities arising out of the work covered by this paragraph. Supplier shall provide a certificate to Buyer evidencing such insurance coverage.

16. Indemnification. Supplier shall indemnify, defend and hold harmless Buyer against any suits, actions or proceedings at law or in equity (including costs, expenses and reasonable attorney's fees incurred in connection with the defense of any such matter) and all claims, losses, damages, judgments, obligations, liabilities and expenses arising out of or resulting in any way from: (i) any defects in the goods or services purchased hereunder; (ii) any acts or omissions of Supplier, its agents, employees or subcontractors; or (iii) any claim of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) arising out of the purchase, sale or use of the goods or services covered by this order whether such goods or services were provided alone or in combination with other products, software or processes. Supplier expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification. If Supplier fails to fulfil any of its obligations under this paragraph or this agreement, Supplier agrees to pay Buyer all costs, expenses and attorney's fees incurred by Buyer to establish or enforce Buyer's rights under this paragraph or this agreement. This indemnification shall be in addition to the warranty obligations of Supplier.

17. Entire Agreement; Modification. This agreement is the complete, final and exclusive statement of the terms of the agreement between the parties and supersedes any and all other prior and contemporaneous negotiations and agreements, whether oral or written, between them relating to the subject matter hereof. Except for any changes requested in accordance with Article 4 above, this agreement may not be varied, modified,

altered, or amended unless agreed to in writing by the parties. The terms and conditions of this agreement shall prevail notwithstanding any variance with the terms and conditions of any acknowledgment or other document submitted by Supplier.

18. Assignments and Subcontracting; Waiver; Severability. No part of this order may be assigned or subcontracted without the prior written approval of Buyer. Any assignment or transfer without such written consent shall be null and void. This agreement shall inure to the benefit of, and be binding upon, the successors and assigns of Buyer without restriction. A waiver of any default hereunder or of any term or condition of this agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition. If any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Supplier shall not be entitled to assign or transfer to any third party for any reason whatsoever the outstanding, accruing or future credit towards the Buyer, without the latter's prior written consent.

19. Limitation on Buyer's Liability. In no event shall Buyer be liable for anticipated or lost profits or for indirect, incidental or consequential damages, regardless of whether or not Buyer was advised of the possibility of such damage.

20. Set-off. All claims for money due or to become due from Buyer to Supplier shall be subject to deduction or set-off by the Buyer by reason of any counterclaim arising out of this or any other transaction between Buyer and Supplier.

21. Compliance with Laws. Supplier shall comply with all applicable laws, rules, regulations, orders or standards of that relate to the manufacture, labelling, transportation, importation, exportation, use, operation, licensing, approval or certification of the Products, including, but not limited to, those relating to environmental matters, product safety, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Supplier represents that neither it nor any of its subcontractors will engage in or utilize human trafficking, child, slave, prisoner or any other form of forced or involuntary labor.

22. Applicable Law; Jurisdiction. This agreement shall be construed in accordance with and governed by Italian law, with the express exclusion of any conflict of law rules. Any dispute arising out of or related to this agreement shall be subject to the exclusive competence and sole venue of the competent Court of the place where the Buyer has its registered office. Supplier irrevocably and unconditionally waives any objection that it may now or hereafter have that such Court is an improper or inconvenient forum for the resolution of any dispute and waives to submit or bring any dispute before any different jurisdiction other than the Court of the place where the Buyer has its registered office.

Buyer:

Supplier: _____

According to Articles 1341 and 1342 of the Italian Civil Code, SUPPLIER HEREBY EXPRESSLY STATES AND DECLARES TO ACCEPT THE PROVISIONS OF ARTICLES: 1, 3, 7, 10, 13, 14, 16 and 22 (Limitation to the exceptions); 2 (Withdrawal); 9 and 10 (Solve et repete), 13 and 19 (Limitation of liability) and 22 (Competent Court) of this Terms and Conditions of Purchase.

SUPPLIER _____