

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. General

1.1 These Koso Parcol's General Terms and Conditions of Purchase (the **PGCP**) apply to all contractual relationship (orders, purchase contracts and any other agreement in respect of them,) concerning the purchase of raw materials, other materials, components, goods, spare parts, machinery or other miscellaneous services (the **Products**). General business terms and conditions of the Seller conflicting with or deviating from PGCP or from Koso Parcol's Special Conditions (the **PSC**) provided for in the Order are only recognized insofar as Koso Parcol expressly agrees to them in writing. Acceptance or payment of Products from the Seller does not constitute agreement and/or acceptance of Seller General or Special Conditions.

2. Acceptance, changes, suspension and cancellation

2.1 Orders, purchase contracts and any other agreement in respect of them as well as modifications and supplements thereto must be placed and made in writing. Oral agreements of any kind must be confirmed by Koso Parcol in writing to become effective. The written form requirement is also deemed complied with if communications are sent by remote data transmission or facsimile transmission.

2.2 An Order by Koso Parcol must be accepted in writing by Seller within the period permitted for acceptance as specified in the Order, otherwise Koso Parcol is entitled to revoke it. Any deviation by the Seller from the terms and conditions set by Koso Parcol in the Order must be approved by Koso Parcol. PGCP, as well as any PSC, will be considered accepted by the Seller even if they diverge from the Seller's general or special contractual terms and conditions. The accepted Order is the Purchase Contract (the **PC**) effective between the Seller and Koso Parcol.

2.3 Koso Parcol has the right to make changes to the Order and/or to the PC (the **Changes**) with reference to: construction details, drawings, samples or specifications, methods or manner of performance, method of shipment or packing, place or timing of delivery, quantities and/or qualities and/or features of the materials and/or services to be supplied. Koso Parcol will notify the Changes to the Seller. Should the Changes determine an increase or decrease in costs or in the time essential for the performance of the PC, an equitable adjustment may be asked in writing by the Seller within 8 working days from the date of receipt by Seller of the Changes and may exclusively include those well-grounded and essential costs borne by the Seller which are direct result of the Changes; price adjustments will be agreed between the Parties.

2.4 The performance of the PC or any part thereof may be suspended by giving the Seller prior written notice to that effect. Upon receipt of such notice, the Seller will cease all activities on suspended PC and will be responsible for storage, care, custody and risk of loss and damage for all Products or parts thereof already executed. Koso Parcol may instruct resumption of all or any part of the suspended PC by giving written notice to the Seller which will resume the work without undue delay. In such case, the delivery date fixed in the PC will be extended by suspension time only.

2.5 Koso Parcol reserves the right, at any time, to cancel the Order and/or the PC, in whole or in part, without cause with a written notice sent 15 days before the cancellation will be effective. Unless any cancellation arise from the Seller's default, Koso Parcol will pay to the Seller a fair and reasonable reimbursement for the Seller's work-in-progress at the time of termination but such reimbursement will never include loss of anticipated profits or any economic or consequential loss.

3. Assignment and change of control

3.1 Without prior written approval by Koso Parcol, Seller is not allowed to transfer or assign the order and/or the PC or any part thereof to a third party. In any case no approval will be given unless the third party has declared in writing that it fully accepts all obligations, liabilities and responsibilities pursuant to these PGCP and to the PC. Transfer or assignment does in any case not relieve the Seller from his liability for the proper and timely execution of the PC. The Seller is not allowed to factor, mortgage, pledge or charge the rights and the credits granted to the Seller by the PC.

3.2 The Seller agrees to notify Koso Parcol, in writing within 7 days, of any change of ownership of the Seller's business or, if the Seller is a company, of all relevant details and information of any transaction where the majority shareholding of the Seller is affected, and of any other change to the Seller's legal identity, structure or nature.

3.3 The Seller acknowledges that Koso Parcol is at any time entitled, upon notice to the Seller, to assign, transfer or sold the PC, or a part of it, to a Koso Parcol's affiliate or wholly-owned subsidiary company.

4. Delivery

4.1 Seller will deliver the Product and the relevant documentation as provided in the PC on the delivery date specified in the PC (the **Delivery Date**). Time and quantities are of the essence for performance of the Contract by the Seller; any late, failed, defective or inadequate delivery of the Products and/or relevant

documentation will be considered a material breach of the PC, entitling Koso Parcol to terminate the PC and claim for all losses and damages which Koso Parcol suffers due to such breach by the Seller. Deliveries deviating from Koso Parcol's PC are only admissible if given Koso Parcol's prior written approval. A partial delivery of Products requires prior written approval of Koso Parcol. Any additional costs will be at Seller's expense, unless Koso Parcol requested the partial delivery.

4.2 Unless otherwise specifically agreed in writing, Seller will deliver Products CPT [*incoterms 2010*] at the named place of delivery indicated on the PC, in accordance with the Incoterms in force on the date of acceptance of the PC. Risk of loss of Products will pass to Koso Parcol in accordance with the applicable Incoterm. Title to all or any part of the Products will pass to Koso Parcol according to the rules and principles of the applicable law.

4.3 If the Seller is responsible for set-up or installation and unless otherwise agreed, the Seller will bear all the necessary incidental costs such as travel expenses, provision of tools and daily allowances, subject to the reservation of divergent regulations.

4.4 Seller will promptly inform Koso Parcol if circumstances occur that may reasonably prevent it from delivering the Products on the Delivery Date. If the probable delay is greater than 15 days from the Delivery Date, Koso Parcol will have the option, at its sole discretion, to either extend the time of delivery or performance, or to terminate the PC at no costs to Koso Parcol. The Seller will compensate Koso Parcol for all losses and damage Koso Parcol reasonably suffered as a result of delays in delivery or in the performance of the order and/or its termination.

4.5 The acceptance, even if unconditional of a delayed delivery or service does not constitute a waiver of claims to which Koso Parcol is entitled due to the delayed delivery or service; this applies pending full payment of the amounts owed by Koso Parcol for the delivery or service in question.

4.6 Unless otherwise agreed in the PC, delays will entitle Koso Parcol to claim liquidated damages up to a maximum of 10% of the total price as set in the PC. The imposition, collection or setting off of the liquidated damages will not affect Koso Parcol's right to specific performance, compensation and termination.

5. Documentation, Packaging, storage and marking:

5.1 Each Supply of Products must include, when applicable: the relevant certification/declaration of origin; declaration of

conformity with the applicable European product directives and any technical reference standards; EC marking; user and maintenance manuals, diagrams and lists of spare parts, to be drafted in language as specified in the PC; pressure and/or noise emission certificates, with the measurements taken pursuant to the technical reference standards.

5.2 Products will be marked, packaged, protected in the best way possible and marked in accordance with Koso Parcol's instruction specified in the PC, all at the risk and expense of the Seller so that the Products will be delivered in good condition and can be safely transported and offloaded.

5.3 Koso Parcol will have the right to refuse delivery of Products if the Seller does not comply with all Koso Parcol's packing, storage, marking and shipping rules. In that event Products are regarded as undelivered.

6. Quality, Inspection, testing

6.1 The Products must be in strict conformity with the PC's requirements, and must be in all respects in conformity with the associated drawings, calculations and specifications, be free from design and construction defects, faulty materials and faulty workmanship, and be fit for the purpose for which the Products are destined; the Products must also comply with all norms, laws and regulations that apply. Seller will maintain a quality management system. As far as necessary, the Seller will issue corresponding certificates (e.g. Certificate of Conformity (COC), Certificate of material or analysis). Any partial or full waiver of this undertaking must be in writing by Koso Parcol.

6.2 Koso Parcol and/or Koso Parcol's customers are at all times be entitled to carry out inspections, testing and examinations during the execution of the PC, during which Seller will provide full cooperation. Seller is obliged to timely submit to Koso Parcol the necessary or required drawings, calculations and specifications in electronic format. Seller furthermore is obliged to carry out at his own expense all necessary test-trials and to hand the results thereof over to Koso Parcol, even if this has not been explicitly specified in the PC.

6.3 Approval or inspection of Products does not imply acceptance by Koso Parcol of Products and will not relieve Seller from its obligations.

7. Acceptance

7.1 Acknowledgement of the receipt of the Products whether by signature of delivery note or otherwise does not constitute an acceptance of the Products in terms of characteristics, quality and performance.

7.2 Where a "Final Acceptance Declaration" (FAD) is required pursuant to the PC, all provisions in relation with acceptance tests and procedures will be governed by the order.

8. Prices

8.1 Seller will supply Products at the prices agreed upon separately in the PC. Unless otherwise agreed in the order, prices will be binding and remain fixed and non revisable for the term of the contract, and will include boxing, carting, storage and delivery free of charge according to applicable term of delivery (Incoterm 2010). Prices will be exclusive of any value added tax (VAT), sales tax, income tax, consumption tax or any other similar tax, duty, fee, levy or other governmental charge, customs duties and other levies, except as specified otherwise.

8.2 Provision of price increase, even as a result of any increase based upon changes in raw materials, component pricing or labor and/or overhead costs, also in case of force majeure, must be subject to Koso Parcol's express written consent. Increases in price as a consequence of extra work required by Koso Parcol will only be accepted if Seller has given Koso Parcol a specific notification in advance and Koso Parcol has accepted this increase in writing.

8.3 Spare parts and Products which have been repaired will be shipped against a reasonable flat rate charge for shipping and packaging, except where those are covered by warranty.

9. Invoicing and Payment

9.1 The Invoice will be sent to the destination address as specified in the PC and must include: number and date of the PC, list of all the supply headings according to the sequence stated on the PC, quantity supplied, number, date of the shipping document, export/import duties (duties, licenses, permits and taxes) with a distinct record. If the invoice does not comply with these requirements, the Seller will be notified of the defect after receipt of the invoice by Koso Parcol.

9.2 Terms of payment are fixed in the PC. Payment will be made exclusively according to the times indicated in the PC, from a valid conventional invoice issue date of the last day of the month.

9.3 In case of non-compliance of the Products and/or documentation with the provisions of the PC, no payment will be due by Koso Parcol as long as the Seller has not fully remedied to the said non-compliance as required by Koso Parcol.

9.4 The Seller expressly accepts that Koso Parcol has the right to off-set any claims against the Seller after formal notice.

10. Intellectual property

10.1 All intellectual property rights including patents, trademarks, service marks, design rights (whether registered or unregistered), drawings, specifications and data, copyright (including any future copyright) and any application for any of the foregoing (IPR), arising from work conducted or prepared by the Seller for Koso Parcol or in any tools or equipment supplied by or funded by Koso Parcol will belong to Koso Parcol and the Seller agrees to do all such things as may be reasonably required to secure the granting of such rights to Koso Parcol. IPR in all goods and materials supplied to the Seller by or on behalf of Koso Parcol, or prepared manufactured or procured by the Seller specifically for or in connection with the performance of the PC for Koso Parcol will belong to Koso Parcol.

10.2 If in connection with the performance of the PC, the Seller makes inventions, whether patentable or otherwise, or works of an original intellectual nature, it will inform Koso Parcol thereof and provide it with all the information and documentation useful or necessary for the production of the resulting works; the Seller will grant Koso Parcol a free license right for the production or reproduction of the original works – either directly or through third parties – and for their sale and usage, in Italy and abroad. Should the aforesaid original works have been carried out by the Seller in relation to a specific assignment received by Koso Parcol, the invention and exclusive IPR to it, the drawings and all the results obtained in general, in addition to the works of an original intellectual nature, will become property of Koso Parcol.

11. Tooling

11.1 Materials, equipment, tools, dies, moulds or raw material supplied by Koso Parcol to the Seller (the **Tooling**) will at all times be and remain the exclusive property of Koso Parcol. The Tooling must be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller and clearly identified as the property of Koso Parcol until returned to Koso Parcol and will not be disposed of other than in accordance with Koso Parcol's written instructions.

12. Warranties and Guarantee

12.1 The Seller represents and warrants to be in possession of sufficient financial resources and cash-flow, Plants, Workshops and Tools in good working order, labor force, safe storage facilities with suitable precautions against theft and fire for supplying the Products pursuant to the terms and conditions of the PC.

12.2 The Seller warrants that Products will be:
- in strict conformity with the PC's requirements;
- in all respects in conformity with the associated drawings, calculations and specifications;

- free from design and construction defects, faulty materials and faulty workmanship, and fit for the purpose

for which the Products are destined;
- complied with all relevant norms, laws and governmental regulations;
- free from any valid claim for title, patent infringement, copyright or trademark infringement (included any labels or trademarks affixed thereto by or on behalf of the Seller).

12.3 Unless otherwise agreed in the order, the guarantee period will be effective 12 months from the date of putting into operation of the Products and no longer than 24 months from their delivery. The guarantee period is suspended and extended by the suspension period for as long as the Products are deficient. A new guarantee period of 12 months begins for Products (or their parts) replaced and/or repairs carried out within the guarantee period. Deficient Products or their parts remain at Koso Parcol's disposal until they have been replaced beyond reproach.

12.4 Koso Parcol may notify the Seller any defects, non-conformities and/or deficiencies (whether latent or apparent) to the Seller within 60 days of their detection.

12.5 Upon Koso Parcol's first demand, the Seller will promptly perform any remedial work required to remedy the defects or non-compliance. Notwithstanding afore mentioned, Koso Parcol is entitled, at its own discretion, to demand either repair, corrections, modifications, replacement or new manufacture for remedying any and all defects of the Products or parts thereof. The Seller will, in any case, bear all and any related risks and costs (including related Koso Parcol costs) for remedies, including inter alia the costs for site works, travel expenditures, custom duties, etc.

12.6 In case the Seller does not take action within a reasonable time following Koso Parcol's notice or in case of emergency or risk of disproportional high damages, Koso Parcol has the right, without prejudice to any other rights, to take remedial actions either by itself or a third party at the Seller's costs and risks. This does not relieve the Seller from its obligations under the PC.

12.7 The Seller will indemnify and hold Koso Parcol harmless as well as Koso Parcol's Customers and/or any third party from and against any damages, material and consequential losses which Koso Parcol, its Customers and/or any third party may suffer as a result from the failure of defective Products or parts thereof.

13. Indemnity and Insurance

13.1 The Seller will keep Koso Parcol indemnified in full against all direct, indirect or consequential liabilities, loss of profit, loss of business, depletion of goodwill, damages, injury, costs and expenses (including legal and other

professional fees and expenses) awarded against or incurred or paid by Koso Parcol as a result of or in connection with:

- a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the PC by the Seller.

- injuries to persons, including death, or damage to property, caused by the Seller, its employees, agents, subcontractors, or in any way attributable to the performance and prosecution of the work herein contracted for, including without limitation breach of warranty or product liability.

- any negligence, willful default or wrongful act or omission of the Seller, its employees, sub-contractors or agents.

13.2 The Seller accepts all responsibility for the completeness and accuracy of the information on the Certificate of Origin, letter or affidavits and all other customs documentation provided to Koso Parcol. The Seller will hold harmless Koso Parcol from any third party claims possibly existing and connected to inaccurate data on these documents or failure to comply with Certificate of Origin requirements.

13.3 The Seller will procure and maintain at its sole expense insurances with reputable and financially responsible insurance companies, which adequately cover Seller's liability against Koso Parcol and third parties. Any limitation monetary or otherwise in such coverage cannot be construed as a limitation on the Sellers liability and the Seller will remain liable in full for the matters and to the extent not covered by the coverage.

13.4 Koso Parcol is entitled to require certain insurance coverage and amounts in the PC to be taken out by Seller. Seller will provide to Koso Parcol certificates of such insurances and renewals thereof other information respecting such insurance at any time promptly upon Koso Parcol's request.

14. Confidentiality

14.1 The Seller undertakes for the life of the contractual relationship and for a period of three (3) years after the termination of it, to observe secrecy regarding any information classified as confidential and, as far as not necessary for the achievement of the purpose of the contractual relationship, neither to record the information nor to divulge it or utilize it in any other way included for advertisement, display or publication. The following will be in any case considered confidential information of Koso Parcol: any written specifications for the Products and processing of the Products which Koso Parcol has provide to the Seller; any other business or technical information, including without limitation, all oral or written information relating to the Products, or information relating to Koso Parcol's customers, Sellers, business practices, products, designs, inventions, or

research and development; any order and or PC and their subject matter; any other information that is recognizable as business or company secrets under other circumstances.

14.2 The Seller will ensure through appropriate contractual agreements with the employees, agents acting on their behalf, sub-contractors that these refrain from any personal use, dissemination or unauthorized recording of such business and company secrets for an indefinite period of time.

15. Compliance with laws and regulations

15.1 The Seller must respect and abide by all the respective statutory provisions governing the treatment of employees, the environmental protection, the health and safety at work, personal data protection and information security, import-export regulations, the use of chemical substances, anti-corruption and anti-bribery regulations domestic and UE. The Seller will indemnify and hold harmless Koso Parcol against all damages and losses imposed on Koso Parcol as a result of Seller's non-compliance with laws and regulations.

15.2 Koso Parcol promotes integrity and ethics in all aspects of its activities. Koso Parcol expects its Sellers to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud or bribery. Koso Parcol expects its Sellers not to offer any benefit such as free goods or services, employment or sales opportunity to a Koso Parcol's employee in order to facilitate the Sellers' business with Koso Parcol.

16. Force majeure

16.1 "Event of force majeure" (EFM) means an event which is out of the control of the Parties, and which could not have been reasonably foreseen and avoided. By way of example and without limitations: acts of war, uprisings and revolutions, natural catastrophes, explosions. Strikes by the employees of the Seller or its sub-contractors will, in no circumstances, be considered as an EFM.

16.2 A Party prevented from fulfilling its obligations duly and timely by an EFM (a Subjected Party) will inform the other Party promptly, in writing within 7 days from the event of force majeure, specifying the cause of EFM and how it may affect its performance, including a good faith best estimate of the likely scope and duration of interference with its obligations.

16.3 The other Party will be released from performing any of its obligations for the duration of the EFM. The Parties will consult with each other in order to minimise all damages, costs and possible other negative effects. Furthermore, if an EFM continues for more than 45 days Koso Parcol will be entitled to

terminate the PC or a part of it, with immediate effect and without liability to the Seller. Upon remediation of the EFM, the Seller will promptly resume performances of the PC which have not been terminated.

16.4 The EFM may not be invoked by the Seller if it occurs after the Delivery Date.

17. Termination

17.1 A PC will automatically terminate, pursuant to section 1456 of the Italian Civil Code, by means of a simple written notice from Koso Parcol, if the Seller fails to perform its PC's obligations as specified in clauses: 3.1 – 3.2 – 4.1 – 4.4 – 6.1 – 11.1 – 12.1 – 12.2 – 12.5 – 14.1 – 14.2.

17.2 Koso Parcol may also terminate any PC and/or the contractual relationship governed by these PGCP with immediate effect by written notice, if the Seller:

- will be dissolved or liquidated, is declared bankrupt or otherwise the subject of suspension of payment or other insolvency proceedings, or if it must reasonably be expected to be unable to meet its obligations; or
- fails to comply with the laws and regulations to which it is subject; or
- is subject to a change of control or if the management of the Seller is changed and such change is in the reasonable opinion of Koso Parcol detrimental to its business interests.
- Seller's financial position deteriorates to such an extent that in the opinion of Koso Parcol the capability of the Seller adequately to fulfil its obligations under the PC has been placed in jeopardy.

17.3 Koso Parcol will be entitled to claim and recover, without limitation, any kind of damages, material and consequential losses which Koso Parcol may suffer as a result from the breach of the PC by the Seller.

18. Applicable law, jurisdiction and waiver of rights

18.1 These PGCP and all the contractual relationships which exist or which may exist in the future between Koso Parcol and the Seller with reference to a PC, will be governed by Italian Laws. The Seller acknowledges that the application of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG) is expressly excluded.

18.2 Any disputes which may arise between Koso Parcol and the Seller, out of or in relation to or in connection with these PGCP or with the PC, including any question regarding its existence, validity or termination, or the breach thereof, which cannot be amicably resolved, will be subject to the exclusive jurisdiction of the Court of Milan (Tribunale Civile di Milano).

18.3 Failure or delay by Koso Parcol in enforcing or partially enforcing any provision of these PGCP and/or of the PC will not be construed as a waiver of any of Koso Parcol's rights under these PGCP and/or of the PC.

According to articles 1341 and 1342 of the Italian Civil Code, the Seller hereby specifically approves the terms set out in the following clauses:

1.1 – 2.1 – 2.2 – 2.3 – 2.4 – 2.5 – 3.1 – 3.3 – 4.1 – 4.4 – 4.5 – 4.6 – 6.2 – 8.2 – 9.3 – 10.1 – 10.2 – 12.3 – 12.4 – 12.5 – 12.6 – 12.7 – 13.1 – 13.2 – 13.3 – 13.4 – 14.1 – 16.3 – 17.2 – 17.3 – 18.1 – 18.2

SIGNATURE FOR ACCEPTANCE
