

GENERAL CONDITIONS OF PURCHASE

1. General information

The supply relationship, between Tumedei S.p.A. and its suppliers, is governed by the present general conditions of purchase (GCP) which will be sent in conjunction with every purchase order. Any changes to the present GCP shall apply provided that they are agreed and signed by the parties. If the Supplier does not provide a written response within 10 days, the modification or change will be considered as automatically accepted. The execution of whatever required by the purchase orders implies the acceptance of the present conditions as expressly referred to in each of them.

2. Obligation of confidentiality

In compliance with the provisions set out in Legislative Decree no. 196/03, the Personal Data Protection Act, the Supplier has the obligation to consider as confidential all information that comes to his knowledge in connection with the purchase order fulfilment.

3. Industrial property, exclusive right and use of the mark.

The equipment, testing and control tools, documents, drawings, data and information (both in paper and electronic format) delivered to the Supplier remain of exclusive property of Tumedei S.p.A.. The Supplier undertakes to keep them in a proper manner, not to grant the right to use them to third parties, not to reproduce or disclose them and to guarantee their protection. It is prohibited to use or grant to third parties components manufactured based on Tumedei S.p.A drawings.

Tumedei S.p.A. reserves the exclusive right on the above components. The use of Tumedei mark affixed to components or packaging shall be deemed exclusive to the Principal and the use by the Supplier cannot be considered, in any case, as a granted license for use.

4. Equipment

The equipment made available to the Supplier, on whatever basis, for the execution of whatever required in the purchase order remains of property of Tumedei S.p.A.. The Supplier undertakes to identify, keep and store it in a suitable manner.

At the end of each production batch the Supplier shall check equipment suitability and, in the event of anomalies, promptly inform Tumedei S.p.A. Modifications to the equipment shall be expressly authorised by Tumedei S.p.A. and, in case the equipment is returned, it shall be returned in conditions suitable for use according to specifications. Otherwise Tumedei S.p.A. reserves to charge the Supplier with repair and/or replacement expenses. The Supplier is liable for loss, damaging and destruction of the equipment.

5. Purchase orders

The purchase orders submitted by Tumedei in written form are to be intended as always integrated by the present general conditions. The technical characteristics specified in the purchase order form an integral part of the present contract. Different conditions or changes to the purchase order shall be promptly agreed and accepted. The supplier undertakes to return by e-mail/fax the purchase orders duly signed for acceptance within five working days from the reception date; otherwise, and if there are no written remarks in this respect, they will be considered as automatically accepted by the Supplier. If the Supplier is unable to respect the delivery date provided in the purchase order, he shall promptly inform Tumedei S.p.A. in written form, giving reasons and providing a new delivery date. It is not permitted to change quantities in the course of the execution of the purchase order, unless specific written agreements are made in this respect. The excess materials shipped, without previous agreement, will be evaluated, and if they are considered in excess, they will be returned at the expense of the Supplier. For discrepancies between the "General conditions of Purchase" and the purchase order, the parties agree that the provisions of the Purchase Order shall prevail.

6. Manufacturing

Manufacturing activities will be carried out by the Supplier at its factories or at possible sub-suppliers, for which the Supplier is guarantor and responsible. The Supplier undertakes to ensure that the product supplied is compliant with the technical specifications and free from defects and faults, by suitable production processes and proper testing and control measures. Modifications to products and processes that constitute the supply shall be authorised in written form by the Principal. Tumedei S.p.A. reserves the right to check the above by making inspections, by giving advance notice.

7. Quality and testing

The Supplier should guarantee the quality and dimensional compliance of materials with the technical specifications provided by means of an effective testing system to demonstrate consistent reliability of processes. The Principal may request a quality and compliance certificate, and in any case, the Supplier shall keep all documents related to testing in proper conditions and available to Tumedei S.p.A. for a period of minimum 10 years.

8. Packaging and identification.

The material supplied shall be packaged, labelled according the specifications provided or, if no specifications are given in this respect, according the best practice, suitable to prevent damages during storage and transport.

Materials shall be always accompanied by shipping documents mentioning at least: date, purchase order number, Tumedei S.p.A. code and quantity.

9. Delivery terms, on-schedule delivery and quality upon acceptance of goods.

The delivery term mentioned in the purchase order should be considered as essential compliant term. Delayed or advanced delivery will be admitted with a maximum tolerance of +/- 5 working days from the purchase order date, except if otherwise agreed in written form by the parties.

In case of an advanced delivery exceeding the above tolerance, Tumedei reserves the right to ship excess quantities back to the Supplier, at his expense, i.e. to accept them: payment terms will take effect, in any case, from the delivery date prescribed in the purchase order, except otherwise agreed by the parties.

In case of delayed delivery, the Supplier shall indemnify any damages resulting from this delay (downtime, downtime for customer production line).

The quantity mentioned in the purchase order shall be respected by the Supplier.

The material will be considered as accepted only once Tumedei has checked it is compliant in quantity and quality.

The Quality Department will promptly inform the Supplier on any non-compliance by specifying: batch, delivery date, delivery note number, type of non-compliance, NC (Non-Compliant) quantity and decision (acceptance, derogation, re-machining or returning). Non-compliant goods will be returned to the Supplier, who will be charged with all costs incurred.

On-schedule deliveries, quality level (Non-Compliance) upon acceptance and any downtime for customer production line caused by delayed supplies will be part of a monthly assessment procedure for the Supplier. In case of negative performance and signs of failure to improve, Tumedei S.p.A. will carry out recurrent Audit and will schedule, in agreement with the Supplier, proper Improvement Plans.

10. Price and payment form

Prices, payment conditions and returning of goods for the components supplied are specified in the purchase order and cannot be modified. Any price change shall be agreed in advance.

The Supplier's invoice shall mention at least: purchase order number, delivery note number, Tumedei item code, description, quantity and price.

11. Non-assignment

The contract and credits deriving from the same cannot be assigned to third parties.

12. Guarantees, liability for defective products

The supplier is not liable for defects deriving from materials supplied by Tumedei S.p.A.. The Supplier guarantees the compliance of supply with the technical specifications provided and compliance with technical standards and applicable laws. The guarantee of supply free from defects and faults has a duration of 12 months from delivery.

Tumedei S.p.A. undertakes to report any defects or faults caused by the Supplier within eight working days from their discovery, and to agree on urgent corrective actions for the resolution of non-compliance issues (selection, replacement, re-machining, etc). In case the Supplier fails to react promptly, or is unable to do so, Tumedei will act to achieve compliance of supply and charge the Supplier with incurred and supported expenditure.

The acceptance of the batch delivered at Tumedei does not imply that the Supplier is exempt from liability for defective products.

13. Termination, withdrawal from the contract

Tumedei has the right to terminate, with immediate effect, the Supply Contract, ex article 1456 of the Civil Code, by written notice to the Supplier, with registered letter with a form for acknowledgment of receipt, in case of infringement of regulations on industrial property right, and confidentiality. Tumedei will have the right to withdraw from the Supply Contract, with immediate effect, by written notice to the Supplier with registered letter with a form for acknowledgment of receipt, in the event of: change in company structure, transfer or assignment of the contract without Principal's permission, revocation of quality certification, serious quality problems and exceeding of the maximum limit allowed for penalties, without giving rise to any claim by the Supplier towards Tumedei S.p.A..

14. Force majeure

In case the contract obligation cannot be fulfilled because of demonstrated force majeure, the new delivery date will be established together by the parties, provided that each party has promptly informed the counterparty.

15. Applicable laws

Every supply contract is subject to Italian and European laws, besides the present general conditions.

16. Competent Court

The competent Court is exclusively the Court of Trento. The Principal reserves the right to take action also at the Court having general jurisdiction over the Supplier.

17. Conciliation

In case of disputes between the parties on the Supply Contract, before appealing to the competent legal authority, the Parties undertake to attempt a conciliation in accordance with the provisions set out in the Civil Code and the Rules of the competent Chamber of Commerce.

18. Duration

Conditions will be valid from the signature date of the parties and if the Supplier fails to respond, conditions will be considered as accepted after 10 working days from the date they have been first sent and will last for the entire duration of the supply relationship.

Tumedei S.p.A.