



PURCHASE CONTRACT - GENERAL CONDITIONS

1. DEFINITIONS

- 1.1 To the purposes of this Agreement, unless otherwise provided for by some specific provision, the following expressions with initials in capital letters, shall have the meaning set forth by this article 1 regardless of whether they are used in the plural or the singular.
- (a) "Contract": these Contract General Conditions together the purchase Order and other conditions agreed in writing.
 - (b) "Transmission Order Form": the SAP order transmission form used by RHOSS to automatically transmit the Order and these General Purchase Conditions to the Supplier
 - (c) "Regulations": any law, rule, administrative or judicial measure which, as far as such rules and/or provisions can be known by the Supplier with reasonable efforts an accuracy, can be applied to the Products at the time and in the countries where the Products are sold by RHOSS. In addition, the present definition embodies any national and European Union law for employee safety, including but not limited to Italian D.Lgs. n. 81/2008 et seq., DPR 547/55, and the provisions of the OIL Conventions (International Labour Organization), if applicable.
 - (d) "Order": the request of a specific quantity of Products forwarded by RHOSS to the Supplier.
 - (e) "Parties": RHOSS and the Supplier.
 - (f) "Products": the Supplier products indicated in the Purchase Order.
 - (g) "Defective Product": any Product that, as better described in art.6, is (i) not in compliance with (x) RHOSS Technical-Quality Specifications, (y) Regulations, (w) and any other provision of the purchase Order or Contract (included the provisions concerning Product documentation, transport and delivery) and/or (ii) any Product that is defective and/or devoid of the necessary qualities, reliability and/or suitability for use
 - (h) "Spare Parts": the spare parts relating to the Products;
 - (i) "RHOSS or RHOSS": RHOSS and/or its subsidiaries and companies in which it has holdings, even indirectly.

2. ORDERS AND ORDER CONFIRMATIONS

- 2.1 Order confirmations of the Supplier having different conditions from those provided in the Client Order shall have no value or different efficacy unless expressly reformulated in the form of a RHOSS Transmission Order
- 2.2 Even after the transmission of its own Order Confirmation, the Supplier agrees to accept any reasonable RHOSS modifications to the Order regarding quantity, delivery date and destination for up to 15 (fifteen) days before the scheduled delivery date.
- 2.3 In case of documented reasons such as fire, strike, or for any other reason depending on RHOSS customers, RHOSS may ask to suspend or delay one or more Orders currently being filled for a reasonable time without entitling the Supplier to compensation or damage of any kind.
- 2.4 RHOSS shall not be liable for circumstances beyond its control that may render impossible the acceptance of Products or that may lead to a lower demand of ordered products.

3. INSPECTIONS

- 3.1. Upon written request from RHOSS and within 48 hours from the receipt of said request, the Supplier shall allow any third parties or agencies appointed by RHOSS to inspect and verify its production process, machinery, work methods and/or the control procedures adopted by the Supplier.
- 3.2. The Supplier shall consent to such inspection and verification by competent authorities on its Product production and test methods and any related documents. The Supplier guarantees that these checks and inspections can be made either at its site or those of its subcontractors, if any.

4. DOCUMENTATION AND DELIVERY

- 4.1. When requested by RHOSS Products shall be identified by a label indicating the RHOSS code number for the cataloguing, identification and administration of each product in the Order.
- 4.2. Unless otherwise provided in the purchase Order, Products shall be delivered DDP (Incoterms 2000) at the site indicated in the RHOSS Purchase Order. The Ownership of the Products shall be transferred from the Supplier to RHOSS at the moment of execution of consent or at the latest at the moment of identification of the Products in the Supplier's warehouse. The risk of loss or damage of the Products shall be transferred from the Supplier to RHOSS at the moment of delivery of the Products at the site indicated in the Purchase Order. Unless otherwise requested in written form by RHOSS, the Supplier shall place its own code number for each Product as indicated in the Order and the Purchase Order number on the package.
- 4.3. The delivered quantities, the number of the packages and the respective weight shall be the ones verified at the moment of delivery of the Products at the RHOSS site. Significant differences in Product quantities requested in the Purchase Order shall be previously communicated to RHOSS for necessary acceptance and modification of the Purchase Order. RHOSS shall not be liable for Products delivered by mistake or in excess, even if such Products are temporarily stored in RHOSS warehouses: RHOSS shall be entitled to return, even if not immediately, such Products to the Supplier, which will bear the related transport expenses.
- 4.4. If requested by RHOSS, the Supplier shall use for Product delivery the containers made available for this purpose by RHOSS. RHOSS shall return empty containers at the Supplier's expense on the return journey of the transport vehicle used by the Supplier for delivery.
- 4.5. Unless otherwise instructed, the Supplier shall use packaging suited to both the specific Products supplied and the transport vehicle used: the Supplier shall be liable for any Product damage ascribable to packaging regardless of the delivery conditions established.
- 4.6. Products shall be delivered together with the transport documents. In addition to the information required by law, each invoice shall indicate the Purchase Order number of each Product and each delivery. Invoices shall be transmitted by the Supplier to RHOSS by fax or email at the moment of Product departure.
- 4.7. In case of difference between the Product quantities indicated in the transport documents and the Products delivered or difference between the Product quantities delivered and those indicated in the Supplier invoices, all the additional administrative costs and expenses shall be borne by the Supplier and subtracted from the credit due to this latter.

5.0 DELAY OF DELIVERY OR OMITTED DELIVERY

- 5.1 The delivery terms indicated in the Purchase Order shall be considered the basic terms; more specifically, in case of Closed Orders, the basic delivery term will be the one indicated in the Purchase Order; in case of Open Orders, the basic delivery term will be indicated in the single periodic purchasing programs case by case.
- 5.2 RHOSS is entitled to refuse and return, at the Supplier's risk and expense, deliveries made before the term indicated in the Purchase Order or, at its own discretion, to charge additional storage costs to the Supplier, while remaining understood that whenever such anticipated deliveries are accepted, the terms of payment shall start running only from the delivery date provided in the Purchase Order.
- 5.3 The Supplier shall immediately inform RHOSS, and in any case at least 5 (five) working days in advance, of any delay of the delivery date indicated in the Order, whenever a Closed Order is involved or in the single periodic purchasing programs whenever an Open Order is involved.
- 5.4 In case of repeated late deliveries not caused by an event of force majeure, while retaining its rights set forth in point (iii) below, RHOSS shall be entitled to:
- o demand the total or partial execution of the Contract;
 - o refuse the delivery and terminate the Contract; and also:
 - o demand the payment of a penalty indicated in the Order and of any and all further direct or indirect damages derived from omitted or delayed delivery (such as, for example, damage due to the forced interruption or slowdown of RHOSS production caused by the unavailability of Pro-

ducts or any other damage charged to RHOSS by its clients due to omitted or delayed delivery. RHOSS shall be entitled to subtract the amount of the penalty and the damages due to omitted or delayed delivery from the sums owed to the Supplier at the same date.

5.5 The provisions of this article shall also apply whenever the Supplier fails to make prompt amends for Defective Products.

6. COMPLIANCE, GOOD FUNCTIONING, ABSENCE OF DEFECTS, DEFECTIVE PRODUCTS AND SUPPLIER PRODUCT LIABILITY

6.1 The Supplier shall deliver the Products to RHOSS in compliance with the technical-quality specifications provided by RHOSS (hereinafter, the Specifications). The Specifications can be updated or modified by RHOSS in any moment whatsoever by written notice sent to the Supplier also by e-mail. All Products to be delivered following the receipt of such notice of update or modification by the Supplier must comply with the new Specifications.

6.2 The Supplier guarantees the absence of defects in material and fabrication in the Products. The Supplier also guarantees the good functioning of the Products, their reliability and/or suitability to their respective purpose, and their compliance to the Specifications for 26 months from the date of launching in the market of RHOSS products that incorporate such Products.

6.3 In case of flaws, defects, insufficient quality, or malfunction in the Products or whenever they do not conform to Specifications, EU quality and safety standards and/or other legal obligations, the provisions of Supplier Evaluation Procedure PQ06B will be applied and the Supplier shall promptly eliminate all the defects and/or replace all defective and/or non-conforming Products at the Supplier's expense. Whenever such defective and/or non-conforming Products are part of a lot, RHOSS shall be entitled to demand the replacement of the entire lot. After the defects have been eliminated and/or the Products have been replaced, a new period of warranty coverage shall begin under the same terms and conditions as in Article 5.3

Furthermore RHOSS shall have to faculty to:

- o decide, whenever the Supplier fails to intervene immediately, to either proceed directly to the repair or replacement of the Products and obtain the complete reimbursement of the costs incurred for the repair or replacement of the Products.
- o terminate the Contact partially or totally

In any case, pursue reimbursement for further damages

6.4 Whenever repair/replacement operations are performed by RHOSS or third parties on its behalf, RHOSS shall be entitled to the reimbursement of Product callback/transfer expenses + direct hours of labour (including assembly/disassembly) + cost of materials.

6.5 The Supplier shall also keep RHOSS released from any and all liability regarding the costs it has incurred for any callback campaigns required or appropriate to eliminate widespread defects from Products incorporated in finished RHOSS products which, even if they do not regard safety or the compliance of the same to the regulations in force, are in any case of such seriousness and/or frequency as to be unacceptable according to the criteria of final customer satisfaction standards in line with the practices of the leading competitors in the market.

6.6 Furthermore, the Supplier guarantees for a period of 10 (ten) years starting from the day RHOSS launched the Product on the market, all damage caused by Product defects. Whenever RHOSS proceeds, even after the expiry of the warranty mentioned in Point 5.2, to a recall campaign for the Products or the property in which the Products have been incorporated, installed, or otherwise used, and such campaigns are necessary due to the fault of the Supplier, this latter shall be obliged to keep RHOSS released from all liability and to indemnify any direct or indirect damages it has incurred on account of such campaigns or activities.

6.7 RHOSS shall inform the Supplier whenever it learns that the Product or more than one lot of Product are not in compliance with the Rules for health, environmental and safety and/or violate constructive or procedural regulations due to their effective danger, defectiveness, unreliability and/or lack of safety.

6.8 The Supplier shall immediately inform RHOSS of any news or suspicion, even if not yet ascertained, regarding any potential danger posed by defects in the Products and/or Spare Parts and/or any of the lots delivered, in order to eliminate every risk of accident and/or damage or injury.

6.9 Unless otherwise agreed between the Parties, to the purpose of the effectiveness of the warranty set forth in this clause, RHOSS shall not be obliged to perform any type of check or control operation on the Products, and the absence of such check does not release the Supplier from liability or pose any limit on the same in any way. The acceptance of the Products upon delivery does not invalidate RHOSS rights to warranty coverage in any way, even in the event of evident defects.

SPARE PARTS

7.1 The Supplier shall supply RHOSS with Spare Parts in the quantities and times necessary to satisfy RHOSS needs during its warranty and after-sale assistance activity in accordance with the highest customer satisfaction standards for a period of 10 (ten) years from the last supply of each Product.

7.2 Spare Parts prices shall be agreed on the basis of the last price paid for each Product, the purchase volumes forecasted and the number of lots required by RHOSS. Unless otherwise agreed, however, the price shall not be higher than the industrial supply price for mass-produced products. Should the requested Spare Parts relate to a Product not in production, the Spare Part price shall be determined on the basis of the requested quantities.

8 SUPPLIER INTELLECTUAL PROPERTY RIGHTS

8.1 The Supplier guarantees that the Products and the respective production systems do not infringe any intellectual property rights of any third parties.

9. TRADEMARKS – GRATUITOUS LOAN

9.1. In any moment whatsoever, RHOSS shall be entitled to ask the Supplier to apply the "RHOSS" trademark or other trademarks on the packaging of the Products and/or the Spare Parts indicated in writing by RHOSS. In such case, the trademark's position, size, and method of application must be as indicated by RHOSS.

9.2 The Supplier expressly declares that the present Contract does not grant any right, title or expectation on the trademarks and that any use of such trademarks shall be exclusively made on behalf of and in the interest of RHOSS.

9.3 Any and all use of the trademarks shall immediately cease with the termination of the Contract for any reason, and the Supplier shall return to RHOSS all the materials and documentation relating to said trademarks still in its possession, with the only exception of anything necessary for Spare Parts production.

9.4 Drawings, models, moulds, equipment, samples and any other asset owned by RHOSS shall be used by the Supplier only to produce Products ordered by RHOSS. Upon written request of RHOSS, all these assets shall be immediately returned to the latter or destroyed by the Supplier at its own expenses and liability.

9.5 In case of withdrawal or the termination of the Contract for any reason, the Supplier shall immediately return all the documents relating to RHOSS technical specifications and RHOSS shall be entitled to collect the same together with all the technical and commercial documents relating to the Products and Spare Parts still in possession of the Supplier.

10. INFORMATION AND CO-OPERATION DUTIES

10.1. The Supplier shall immediately inform the Client of any infringement of Client intellectual property rights of which it becomes aware during the period of Contract validity. Moreover, the Supplier shall grant to the Client all the necessary assistance for any actions the Client might decide to take in order to protect its intellectual property rights.

11. TRANSFER OF RECEIVABLES

11.1 Barring a mutually signed written agreement otherwise, whenever receivables are transferred by the Supplier to RHOSS, the latter will be entitled to charge the Supplier an administrative fee of 50€ for each invoice transferred.

11.2 Following issue of due invoice, the administrative fees specified in Point 11.1 above shall be deducted from the receivables due to the Supplier from third parties that have been transferred to RHOSS.

12. CONFIDENTIALITY

12.1 The Supplier, on its behalf and on behalf of its employees and consultants, expressly undertakes to keep the execution and the contents of this Contract and all the acts and documents which will be performed and provided in performance of the Contract strictly confidential, with the sole exception of any disclosures required for compliance provisions of the law and measures issued by competent authorities. In such case the Supplier shall immediately inform RHOSS in order to agree on the terms and on the contents of any such disclosure, which shall be strictly limited to the facts and documents to which the above mentioned law provisions and measures refer to as far as possible. The Supplier shall not advertise the commercial relationship RHOSS without its previous written consent in any manner whatsoever.

13. WITHDRAWAL

13.1. Barring any other withdrawal rights expressly provided for by specific clauses of this Contract, RHOSS shall be entitled to suspend the performance of the Contract by written communication to the Supplier, whenever:

- o facts and/or events demonstrating the Supplier's incapacity to perform normal activity and/or satisfy its ordinary duties and obligations occur (including for purposes of example without excluding others, the delay and/or lack of payment of any amount due to employees, fiscal or welfare authorities, suppliers or banks, protests of bills of exchange, preventive seizure of movable and/or immovable property, revocations of license or permits, preliminary and/or initial voluntary liquidation procedures, requests for composition with creditors or in Court or out of Court temporary receivership, or any kind of insolvency and/or bankruptcy proceedings);
- o Supplies of Product are suspended for a period longer than 15 (fifteen) working days due to the interruption of normal Supplier activity whatsoever reason.

13.2 Should any of the above listed events persist for more than 30 (thirty) days from the receipt by the Supplier of written communication from RHOSS, the latter shall be entitled to immediately withdraw from this Contract by merely providing written notice to the Supplier without entitling the latter to any form of damage, indemnity or reimbursement. In such case RHOSS shall be required to collect all the Orders, whether finished or not, in stock at the Supplier warehouse.

14. TERMINATION

14.1 Without prejudice to any express provision on termination provided by the clauses of this Contract, RHOSS shall be entitled to terminate this Contract whenever the Supplier fails to fulfill any of its obligations under the Contract and fails to provide remedy within the terms defined by RHOSS in its respective written notice. More specifically, for purposes of example without excluding others, RHOSS shall be entitled to terminate the Agreement whenever the Supplier:

- o fails to continuously ensure the required quality standards of the Products;
- o becomes unable to meet the RHOSS need for Products, with RHOSS expressly entitled to continue the execution of the Contract and avail of the services of third parties for the production and supply of the quantities unavailable from the Supplier.

14.2 RHOSS shall also be entitled to immediately terminate the Contract whenever the majority holding of the Supplier's share capital is purchased by a RHOSS competitor, whether directly or indirectly through other persons, subsidiaries, consociates or other companies in which such competitor participates

15. FORCE MAJEURE

15.1 If the performance of this supply Contract is delayed and/or hindered by a reason of force majeure, the delivery terms shall be deemed extended and a new delivery term shall be agreed in good faith between RHOSS and the Supplier, taking into consideration the nature of the event of force majeure, provided that the Supplier has immediately provided RHOSS with written and documented notice of the event of force majeure and adopted all every measure necessary to limit its effects. To the purpose of this clause, the following shall be considered events of force majeure: natural catastrophe, war, acts of terrorism, seizure of equipment expropriation, sabotage, fire, flood, whirlwinds, hurricanes, earthquakes, general strikes (included those relating to transport and Customs, but expressly excluding specific company labor strikes unless made in compliance with a national strike decided by the competent union), suspension of electric power for more than twelve consecutive hours, compliance with laws, rules and any other government or local provision and any other event beyond the control of the Supplier. Delays by Supplier subcontractors shall not be considered events of force majeure, unless the Supplier gives evidence that said delays were also caused by events of force majeure.

15.2 The event of force majeure shall not be invoked by the Supplier whenever said event has occurred after the expiry of the delivery term agreed.

16. JURISDICTION AND GOVERNING LAW

16.1 The present Contract is governed by Italian law. Any controversy arising between the Parties and relating to the interpretation and/or execution of the Contract shall be exclusively deferred to the Italian Court of Rovigo.

16.2 Any and all exception to the clauses above of any nature whatsoever agreed shall be valid only when in written form signed by both parties after the date of stipulation of this Agreement.

17. GENERAL AND FINAL PROVISIONS

17.1 These Contract General Conditions shall be effective only if the Purchase Order to which they apply does not provide otherwise. In such case, the Purchase Order provisions shall prevail. RHOSS is not bound by and expressly refuses the Supplier's General Conditions of Sale or by any other provision provided in any Order Confirmation or any other document of the Supplier.

17.2 Any modification to these provisions and/or any additional provisions shall be effective between the Parties only if agreed in written by the same. These Contract General Conditions shall also apply to further Product supplies.

17.3 The Purchase Order and/or its execution shall not be either fully or partially transferable by the Supplier without previous written consent by RHOSS.

17.4 In the execution of every activity foreseen in its relationship with RHOSS, the Supplier shall adopt scrupulously correct conduct in respect of the laws in force and the rules and principles of the RHOSS Model of Organization, Administration and Control and/or Code of Ethics, which can be consulted at www.rhoss.com/general_terms_and_conditions.

RHOSS S.p.A.

