

GENERAL CONDITIONS OF SUPPLY TD FORGE ITALIA SPA A SOCIO UNICO

1. Definitions

- 1.1 For Supplier: TD FORGE ITALIA SPA A SOCIO UNICO;
- 1.2 For Contractor: the buyer of the product
- 1.3 For Parties: Supplier and Contractor considered jointly
- 1.4 For Product/s: items supplied by the Supplier to the Contractor as described in the Contract or in the Offer.

2. Scope

- 2.1 These General Conditions of Supply shall apply to all goods supply, except as otherwise agreed between the parties.
- 2.2 The application of these Conditions shall exclude all Contractors' general conditions.

3. Orders

- 3.1 Every order of the Contractor arriving to the Headquarters or to the registered office of the Supplier will be processed as an acquisition proposal to be considered irrevocable for twenty days (20) from the arrival date, or in case of incompleteness of the request contained, from the date of arrival to the Supplier of the documentation or of the necessary explanations for the evaluation and possible acceptance of the order, as the Supplier will always take care to communicate within this term. It is unquestionable faculty of the Supplier not to accept the offer to purchase of the Contractor without that this silence could constitute a source neither of responsibility nor of precontractual responsibility.
- 3.2 With reference to the Contractor's purchase order, as per the previous point, the Supplier shall consider acceptance of the order confirmation which will be sent to the Contractor within twenty days (20) from the order receipt or upon receipt of written explanations or documents as per point 3.1, also through communication by electronic means, with the signature of the Chief Executive Officer of the Supplier. All other document concerning proposals or negotiations or explanations or whatever even though signed by the Contractor, but not by someone entitled to sign by the Supplier, will be considered as an irrevocable proposal of purchase and treated as per article 3.

4. Change of the property conditions of the Contractor

- 4.1 The Supplier has the unquestionable faculty to assess periodically the Supplier's property guarantees for monetary liabilities satisfaction which refer to the same as regards this Contract. It is understood that if, in every moment after the conclusion of this Contract, the Supplier should consider changed the property conditions of the Contractor, he could rightfully suspend all execution of the Contract and this in conformity with art. 1461 c.c.

5. Prices and their variability

- 5.1 The supply only includes what clearly described in the order confirmation. All additional performance will be charged separately, as also all accessory and/or financial costs such as costs for packaging, transport, registrations, V.A.T., bank shares and charges, interests.
- 5.2 Prices variability is agreed, in case during the period between the finalization of the contract and the effective delivery of the goods concerned by the order, there is an increase of raw materials cost; the Supplier sets the prices considering the findings of the London Metal Exchange and every increase occurred in the period between the contract finalization and the effective delivery of the goods of commission, entitles the Supplier to ask the Contractor therelative proportional increase without him having the possibility to raise objections to stop or invalidate the Supplier's claim.
- 5.3 Possible claims or disputes will never give the Contractor the right to delay or neglect the payment or to reduce unilaterally the price.

6. Delivery term

- 6.1 The Parties agree expressly, unless they decide otherwise in writing with clear acceptance of the Supplier, that the term foreseen for the execution of the contract by the Supplier is calculated in working days.
- 6.2 The delivery terms take effect from the date the Supplier receives the order; they must be considered indicative and not essential. A tolerance of thirty days is in any case allowed.
- 6.3 Late deliveries cannot foresee penalties, damages or interests, conclusion of the order, or entitle the Contractor not to fulfill or to suspend the contractual obligations.
- 6.4 The agreed term is in any way proportionally extended if payments are not made regularly within the terms, and in any case of force majeure or serious reasons such as National strikes, social tumults, fires, suspension of operations, late deliveries of raw materials and delays due to missing documents or any other element the Contractor has to supply and any other causes not depending on the goodwill and diligence of the Supplier.
- 6.5 The delivery term is also automatically and proportionally extended in case the Contractor, during the performance of the contract, asks for technical modifications, although they do not imply prices variations; in this case the term shall start from the Supplier's written confirmation and unless the additional order or demand for modification has been sufficiently exhaustive to allow the normal restart of works.

7. Delivery

- 7.1 The delivery of goods, as per this contract, will be carried out in conformity of Incoterms of the Chamber of Commerce of Paris, according to the delivery period and the issue of Incoterms time to time indicated in the Contract.
- 7.2 Should this specification not be in the Contract, the delivery period shall be always intended as ex works delivery loaded on trucks at headquarters TD FORGE ITALIA SPA A SOCIO UNICO Domaso or [Gera Lario Warehouses](#) according to Incoterms 2010 and the Supplier should consider himself free from his obligation of delivery identifying and making available goods for the Contractor at his headquarters. Any other obligation, transport, traffic and customs documents, etc..., will be at Contractor's charges.
- 7.3 The Supplier has the right to perform part of the Contract and to ask for a compensation for the part carried out.

8. Industrial Property

8.1 The Contractor expressly states and ensures the Supplier that the use of marks, drawings, patents registered or in phase of registration concerning goods ordered from the Supplier and delivered to the Contractor, are free from any infractions or infringements of any right of patent or of any other rights or assumed rights of a third party.

8.2 The Contractor commits himself from now on to release of responsibility the Supplier in every case of proceedings or extrajudicial actions he might submitted to by third parties as regards what indicated in the previous paragraph.

8.3 All rights of intellectual and industrial property concerning the products, their designation and all that will be developed, realized and supplied by TD FORGE ITALIA SPA A SOCIO UNICO, including packages, handbooks, advertisements and images, belong to the Supplier.

9. Property reserve

9.1 According to the provisions of art. 1523 c.c., products supplied to the Contractor will remain property of the Supplier till the complete payment and till the execution of bill of exchanges or of the trade bills accepted as payment.

9.2 Since the delivery by the way, the Contractor will be entitled of all risks arising from the deterioration or damaging of Products. The Contractor shall keep the Products with the max. care and use them according to the use they are conceived for and according to the instructions received.

9.3 The Contractor commits himself not to burden the goods delivered with security interests in favor of third parties or to transfer the property before the complete payment.

9.4 The Contractor has no right of lien towards the Supplier on Products supplied.

10. Die and equipment

10.1 Dies and equipments concerning this order shall remain of Supplier's property even when the Contractor should contribute to the expenses for their manufacturing (non-returnable participation). The Supplier can, without notice obligation, destroy all dies and equipments after two years from the last order received.

11. Payments

11.1 Payments shall be made within the terms and in the way convened without rounding or discounts, to the Supplier in Domaso (CO), pertaining always to the Contractor the risk for the amounts transfer, in spite of the system chosen and also when this has been agreed between the parties.

11.2 Bills of exchanges, trade bills and cheques can be accepted as payment only upon agreement with the Supplier, and in any case the relative costs such as for cash receipts, discounts, registrations are at Contractor's charges.

11.3 The payment of invoices must be made within the terms and cannot be suspended or delayed also in case of possible delays and/or claims of the Contractor concerning declared damages and/or lack of quantity and/or nonconformity.

11.4 If the payment is partially extended, the nonpayment of only one installment or part of installment causes the loss of the benefit of the term and the Contractor shall fulfill immediately and completely the obligations of the outstanding payment in that moment towards the Supplier.

11.5 The non-payment also determines the right of the Supplier to take precautions according to art. 1515 c.c.

11.6 In case of delayed payment, the Supplier is relieved of the observance of the delivery terms which, in any case, will start in his favor, from the expiry date of invoices to the settlement, late payment interests according to the discount basis rate, and anyway not lower than the actual official discount rate increased of 5%, not being affected the other rights of the Supplier; the possible discount reserved for the payment in cash will be abrogated.

12. Minimum Quantities

12.1 Every quantity reduction indicated in the order confirmation entitles the Supplier to modify proportionally the prices applied.

13. Use of materials

13.1 To process the orders, the Supplier can realize material which is comparable to the material of the order even though in the order the origin from a specific steel plant has been specified.

13.2 The customer has to inform if goods to be supplied shall be used for air transport, military and/or nuclear fields; and/or if they are thought for markets where there is an embargo or limitations in this connection.

14. Force Majeure

14.1 The Supplier is not liable for late deliveries or for his default caused directly or indirectly by: - force majeure events (according to this clause and without considering the list as complete, a force majeure event includes legal prohibitions, wars, revolts, revolutions, National and non-cooperation strikes, occupancy of buildings, lock-outs, fires, floods, sabotages, nuclear fires, earthquakes, storms, epidemics, technical damages, transport blockage); - circumstances which are not under the Supplier's control, and which can prevent the procurement of labor force, materials, raw materials, components, plant in general, energy, fuel, means of transport, authorizations or governmental provisions; - circumstances which can substantially upset the markets and/or the rate exchange (included the currency depreciation in circulation in EU).

14.2 In these cases the Supplier shall inform in written form and without delay the Contractor about the rising and termination of this event.

14.3 In case of delay or defaults which can be justified according to the provisions of this article, the Supplier shall inform the Contractor as soon as possible and specify the different delivery term. If delays depend on causes of force majeure, the delivery terms will be automatically extended for the same period of time that the Supplier lost because of the delay concerned.

14.4 In case of a situation of force majeure, the Supplier can decide to terminate the part of the contract which cannot be performed by means of a written statement. The Contractor will have no rights of indemnities.

14.5 Should the Supplier, when occurring a force majeure event, have already performed his obligations or could do it only partially, he will have the right to invoice the part already performed or that he is going to perform separately. The Contractor has, therefore, to pay this invoice as it were a separate contract.

15. Claims and denunciations

15.1 Every claim has to be sent to the Supplier in written form within 30 days from the receipt of the goods. After this period, no claim will be accepted.

15.2 Claims and denunciations, as per the previous paragraph, must be carried out, under penalty of invalidation, in written form, indicating in detail, the defaults, the lack of quantity and the non-conformities detected.

16. Warrantee of the Supplier

- 16.1 The warrantee of conformity of products, as per what agreed, lasts 12 months from the delivery date (according to this article by delivery date it is meant the date of departure from Supplier's premises) and is subjected to a regular denunciation by the Contractor in conformity with art. 15.
- 16.2 The Supplier is liable for the defects of the Product only if they can be referred to possible manufacturing defects or anyhow arising from his direct responsibility in the limits and in conformity of order specifications; the Supplier cannot, on the contrary, be considered liable for materials and/or parts of Products he did not manufacture, nor for damages arising from unknown use at the acceptance of the order.
- 16.3 The Supplier cannot be liable for damages arising from the use of the Product and/or from events which might occur, also depending on the Product supplied, in the exclusive area of the Contractor and/or on which the Supplier has no control or that, anyhow, cannot be in one way imputable to a direct and exclusive responsibility of the Supplier (for ex.: stop of the machine, production loss, loss of profit, etc...).
- 16.4 The Contractor shall lose the guarantee provided by Supplier in case he carries out or makes third parties to carry out, without a previous written authorization from the Supplier, repairs, replacements, modifications or every interventions on Products.
- 16.5 It is mandatory for the Contractor to preserve the Product, assumed to be defective, in a suitable place and in a suitable way, at disposal of the Supplier for the necessary inspections.
- 16.6 In case of necessary repairs or replacements, the defective goods must be returned to the Supplier who shall be given a sufficient term to carry out these operations.
- 16.7 In any case the Contractor, when detecting defects, shall immediately stop using the Product, which is assumed to be defective, and adopt every necessary tactics to reduce or anyhow not to worsen the defect detected that is the damage from the same possibly suffered.
- 16.8 The non-delivery of claims or objections in written form within the above indicated terms and/or the use of the Product from the Contractor, in spite of the detection of defects, shall be considered as an unconditional acceptance of the Product and a renouncement to all claims or objections related.
- 16.9 If not differently agreed between the Parties, all expenses, taxes and taxes concerning transport and import to replace defective Products are at Contractor's charges.
- 16.10 Parties expressly agree the exemption of the Supplier from every default that is not caused by fraud or serious fault according to art. 1229 of the Civil Code.
- 16.11 Parties expressly agree also that the Supplier, should he be to blame, shall make good the damage, only up to the value of the piece replaced, excluding absolutely the reparability of every further damage at Supplier's charges also according to art. 1382 of the Civil Code.
- 16.13 This warrantee excludes any further right of request for damages and additional costs.

17. Insurance

- 17.1 The liability of the Supplier cannot exceed the coverage recalled in the insurance policies as per attached Certificate of Liability Insurance (attachment A).

18. Responsibility

- 18.1 To the exclusion of what provided in art. 16, the Contractor cannot claim a right to the Supplier because of defects detected in Products supplied or concerning them. The Supplier is therefore not liable for indirect damages, including not material damages, consequential loss (missing income, damages deriving from a loss of productivity and similar) and other damages, arising from every cause, but in case of serious fault or fraud of the Supplier.
- 18.2 The Supplier is not liable for damages and/or anomalies related to the use of Products if the Contractor, using them, does not comply with the indications (if existing) supplied by the Supplier.
- 18.3 The Contractor exempts the Supplier from every claim of third parties, including claims based on the responsibility of the product, which are related to the execution of the contract by the Supplier, regardless of the cause, and releases the Supplier from any expenses which might arise from that.
- 18.4 In all cases where the Supplier shall pay an indemnity for damages, it will never be more expensive than the value of the goods invoiced and delivered, from which the damage arose.

19. Annulment

- 19.1 The customer cannot cancel an order given. If the customer, in spite of this, cancels completely or partially an order, he shall compensate the Supplier of the expenses he might reasonably be incurred for the execution of the order, for Supplier's operations and for the Supplier's loss of profit, increased of VAT.

20. Privacy

- 20.1 According to Dlgs. N. 196/2003 and to the following modifications and integrations, the Supplier informs that Contractor's data are treated and/or communicated to third parties (for ex. banks, external consultants, etc.) in obedience to the regulation above mentioned, for the execution of contracts.

21. Conservation of the General Conditions

- 21.1 The nullity or the avoidance of any clause of these Conditions or Contracts they are applied to, does not compromise the validity of other clauses. The Supplier and the Contractor shall replace void or cancelled clauses with valid ones as far as possible similar to the meaning of the void and cancelled clause.

22. Modifications of General Conditions

- 22.1 The order implies the explicit acceptance of the present General Conditions of Supply, to which no delay is allowed, but in case of previous explicit written agreement between the Parties.

23. Resolutive clause ex D.lgs. 231/2001

- 23.1 The severe and repeated infringement of the principles presented in this Code of Ethics of TD FORGE ITALIA SPA A SOCIO UNICO is considered a breach of the obligations proceeding from the contract and determines the termination of the contract according to art. 1456 c.c. and also the indemnity of possible damages suffered by the Supplier

24. Applicable law and language

- 24.1 The contract signed by the Supplier and the Contractor and herewith enclosed will be ruled by the present General Conditions.
- 24.2 As regards what is not expressly ruled in these General Conditions of Supply, the Italian law shall be applicable
- 24.3 Possible disputes arising from the application of the General Conditions of Supply or from the interpretation of single Contracts are ruled by the Italian law. The Parties expressly exclude the application of the Convention of United Nations about the international sale of goods (Vienna 1980).
- 24.4 The language ruling the present General Conditions is Italian, in spite of any translation into any other languages. In case of discrepancy between the Italian and the translated texts, the Parties agree that the Italian shall prevail and that the Italian text will be the official document to interpret the present General Conditions.



Chubb European Group Limited
Rappresentanza Generale per l'Italia

Certificate of Liability Insurance

1. Name and address of whom this certificate is issued to:

To whom it may concern

2. Name and address of Insured:

TD Forge Italia S.p.A.V MULINI 11 - 22013 DOMASO - CO

3. **Chubb European Group Ltd** (as well as the other Insurance Companies listed in the following coinsurance schedule, if any) are the bearers for the coverages listed below on quota share basis, each Company within but in no case more than the percentage of participation, indicated for each one in the schedule, and with no joint several liability among them:

Insurance Company	Percentage of Participation
Chubb European Group Ltd	100%

4. Policy Description:

- a) Policy number: ITCANB17019
- b) Coverage and limit:
 ✓ **Products Liability:** EUR 5.000.000,00 each and every occurrence and in the aggregate
- c) Terms
 ✓ Inception : Midnight 31/12/2016
 ✓ Expiry : Midnight 31/12/2017
- d) Operations:
 ✓ Manufacturing and marketing of flanges and fitting forges
- e) Policy Territory Products Liability:
 ✓ Worldwide U.S.A. and CANADA export included.

5. This certificate or verification of insurance, is not an insurance policy and does not amend extend or alter the coverage afforded by the policy listed herein, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of verification of insurance may be issued or pertain, the insurance afforded by the policy herein is subject to all terms, conditions and exclusions of such policy.

Chubb European Group Limited

Rappresentanza Generale per l'Italia

Il Legale Rappresentante

Orazio Rossi

Milan, 23 ottobre 2017 / FP