

INTERPUMP GROUP S.P.A.
GENERAL TERMS OF SUPPLY

1 - EFFICACY

These General Conditions of Supply (hereinafter "CGF") apply, save for any exceptions specifically agreed in writing, for all the Supplies (for example: purchase contracts, administration, procurement of goods and/or services, etc.) made in favour of INTERPUMP GROUP S.P.A. (IPG), including the supply of materials, work on the materials of Interpump Group (hereinafter "IPG") and/or services purchased by IPG for use on its products and/or operational use of same; these govern the relationship between IPG and its Suppliers, and form an integral part of the Interpump order received from the Supplier and entail the disregard of the general conditions of the Supplier; therefore intended as not appended here are any clause inserted by the Supplier in its confirmations, in its invoices, in its notes, in its correspondence, contrary or in any case in addition to the present CGF, unless they have been expressly accepted in derogation and in writing by IPG.

These CGF are notified to Suppliers by periodic and/or contextual transmission with the IPG order: they are published on the IPG website and are freely accessible.

These CGF must be considered fully integrated to the provisions contained in the Policy Supply Reports that are eventually to be signed with the Supplier.

2 - PROHIBITION OF TRANSFER and SUBCONTRACTING SUPPLY

The Supplier cannot cede to third parties, in any circumstance, even partially, the rights deriving from supply relationships.

The Supplier is obliged to inform IPG and to obtain the prior written consent in the case it intends to resort to a sub-supply of goods or services. The authorisation thus obtained for sub-contracting will not exempt the Supplier from contractual obligations and responsibilities. The latter will fully provide the details of the work and personnel of the sub-suppliers as well as their own work and of own personnel; IPG will remain completely removed from this relationship.

3 - ORDER CONFIRMATION

The Supplier once they have received a product/service supply order must send a stamped copy signed for acceptance within 5 days from the date of receipt of the order.

4 - CONFIDENTIALITY AND INTELLECTUAL PROPERTY

The technological information or documentation, as well as the samples sent to the Supplier and the intellectual property therein, remain the exclusive property of IPG which may request their return at any time. The Supplier is obliged not to reproduce or copy them and not to transmit them or reveal their contents to third parties and, in general, to maintain maximum confidentiality on all the information which will be shared in relation to the supply relationship. The Supplier is obliged to make a similar commitment of confidentiality to all its employees, collaborators and sub-suppliers.

The Supplier recognises as illicit and illegitimate, if performed outside of the supply set out in this contract, the manufacture and trade of products constructed on the basis of equipment, machinery, drawings, models or samples belonging to IPG for both production and spare parts of any kind or for any other use, with reference or without to the name, the trademarks or the distinctive branding of IPG.

The Supplier is obliged to communicate to IPG if they are the owner or licensee of industrial property rights relating to the design and/or production of the commissioned supply; with the acceptance of these terms and conditions of supply, the Supplier declares that third parties do not have any rights to their product/industrial process.

Unless otherwise stated and expressly agreed in writing at the time when the study and/or supply of a product are proposed or accepted by the Supplier, in the event that, in connection with research, design, experimentation, development or production, the Supplier comes up with a new technique or in any case an invention, patentable or not, IPG will still have the right to use it in its production process, directly or through third parties, without the payment of any indemnity or royalty. The Supplier agrees, if requested by IPG, to request appropriate industrial property rights for Italy and/or those countries that will be considered strategically important. In the latter case, IPG and the Supplier will agree a specific licence agreement and IPG will grant the Supplier the payment of a royalty or a fixed payment. In the event that the research, design, experimentation or development work has been carried out by the Supplier in execution of a specific IPG assignment, the invention or the relative titles of industrial or intellectual property, the designs, and in general the technical data will be owned by IPG, provided that the undertaking was binding.

4 - DELIVERY

Deliveries of the products supplied must be carried out in compliance with the schedule stated in the order and programmes. In any case, the Supplier undertakes to prepare what is necessary to ensure timely execution within the delivery programme.

5 - DELAYED DELIVERY

In case of possible delays, the Supplier must always promptly and in writing inform IPG Purchasing or Production Service. In any case, the delays in delivery or in the performance (even if partial) that are imputable to the Supplier, authorise IPG to apply a penalty equal to 2% of the value of the goods, of the products or of the services according to art.1382 of the Italian Civil Code which are not delivered or not loaned. Excluding the reimbursement of the greater damage suffered by IPG, this penalty will be multiplied by the number of calendar weeks of delay, up to a maximum of 10% of the order value. If the delay in delivery or in the performance exceeds 25 working days, IPG - having qualified in any case for the maximal compensation for damage suffered, may, at its discretion: a) consider the order to be resolved with full rights, upon written communication to the Supplier. IPG is in any case exempted from the offer referred to in Article 1517 of the Italian Civil Code b) source elsewhere and at any time the product or service object of the supply (and this also is outside of the cases provided for by art.1516 of the Italian Civil Code), risk and danger of same passing to the Supplier, which will also bear any higher cost differential.

6 - DELIVERY ADVANCES

All quantities of products delivered that exceed the quantities as ordered are considered delivery advances. IPG reserves the right to:

- reject the surplus quantity by returning it with the costs and risk borne by the Supplier;
- retain the surplus quantity and have the consequent financial burden borne by the Supplier;

The delivery of raw materials (castings, moulds, bars, etc.) must always be accompanied by documentation that guarantees compliance with the IPG technical specifications and accepted by the Supplier.

Delivery of product/service made according to the Supplier catalogue: for these products (for purchase) the Supplier must provide at the beginning of the report (article/Supplier) the updated technical documentation containing the functional characteristics, use (assembly/use) and anything else provided according to the current laws. This documentation must as far as possible be maintained by the Supplier at the IPG in a controlled manner.

7 - PACKAGING

In the absence of specific requirements resulting from the design or contractual documents, the conditions of protection and packaging must be such that the product will not be damaged during all transport operations and can be stored without deterioration, under normal conditions of storage, for a period of at least 12 months.

8 - IPG EQUIPMENT

The production equipment (gauges, models, moulds, etc.) that IPG makes available to the Supplier on loan remain the exclusive property of IPG. The Supplier is responsible for their loss, destruction or damage. The Supplier undertakes to:

- keep them and keep them in perfect working order;
- not to make any changes that have not been agreed in writing with the IPG Purchasing Service. In the event of a change, the Supplier must report to the Quality Control Service all the activities carried out and evaluate any new approval to be produced;
- to use same exclusively for the execution of IPG orders;
- not to transfer them to third parties for any reason unless previously agreed in writing with the IPG Purchasing Service. Failure to comply with this obligation will enable IPG to request compensation from the Supplier for damages immediately reduced to no less than the value of the equipment tampered with or modified. The Supplier will insure the equipment against the risks of fire and theft with specific policy or have them fall within the general insurance policy of the industrial site. The ownership by IPG of such equipment does not exonerate the Supplier from the responsibility of obtaining a product/service in accordance with the drawings and technical specifications provided. Settings and/or calibrations of the measuring instruments are the responsibility of IPG, however, the Supplier is in any case required to report any anomalies of both the equipment and the measurements where they are encountered.

9 - MISSING PARTICULARS

If the IPG Warehouse Manager ascertains in the supply a quantity different from the one requested/declared, they will inform the Supplier who will have 7 working days to make the necessary checks. The regularisation of non-compliance must be agreed with Warehouse Accounting.

10 - MANAGEMENT OF PRODUCT CHANGES

Upon the specific request of IPG, the Supplier undertakes to intervene for even the partial modification of the product/service characteristics. Any variations in cost, generated by the change introduced, must be communicated and agreed with the IPG Purchasing Service.

This methodology and the related results must be made available, upon request of IPG (Purchasing Service or Quality Control), for approval. In the face of unsatisfactory situations found regarding the product/service, IPG may request the modification of the control methodology or withdraw from this contract of its choice.

Acceptance of the delivered material is subject to verification by our Quality Control Service.

The statistical acceptance method of acceptance implies the possibility that non-compliant products are accepted, and this does not exclude that IPG may subsequently be reimbursed to the Supplier. The Supplier, when possible and appropriate, will agree with Quality Control on the procedures for the recovery or selection of non-compliant products. If, for production reasons, IPG carries out internally, in agreement with the Supplier, the selection or recovery of the declared non-conforming lots, all costs of these selections and/or agreed recoveries will be borne by the Supplier.

11 - WARRANTY

The Supplier guarantees that the goods/services supplied conform to those commissioned free from defects of conformity, faults and obvious and/or hidden faults. This warranty will last for a period of 12 months from the date of delivery/performance.

If during the warranty period the product/service is found to be defective before or after use in production and/or placing on the market, IPG may, at its discretion, request the Supplier to be informed in advance, the repair and/or replacement, or a refund equal to the loss of quality of the product supplied.

In the event that the restoration work is carried out directly by IPG, the latter will agree the relative costs with the Supplier that will accept their reimbursement. The replacement or repair of the products under warranty must be made from our factory.

12 - SUPPLIER'S RESPONSIBILITY

With the stipulation of the contract the Supplier full and entire responsibility concerning the execution of the supply and for any damages deriving from product/service defects.

The Supplier is responsible for the defects of conformity, hidden defects of the product/service provided whether they are present at the time of delivery or that they occur at a later date in the useful lifespan of the product/service.

13 - EXPRESS TERMINATION CLAUSE

The purchase contract will be terminated by right pursuant to art. 1456 of the Italian Civil Code due to the simple written declaration by IPG to wish to avail itself of this termination clause expressed in case of delay in delivery or non-compliance with the agreed quality level. Any contractual relationship between the parties will be automatically resolved, pursuant to art.1353 of the Italian Civil Code, in the event that a bankruptcy, liquidation procedure (even if extrajudicial), prior agreement, judicial administration, controlled administration, or any other procedure denoting the loss of the creditworthiness or reliability of the Supplier. This termination condition is intended in the interests of IPG which may waive it within 15 days of its occurrence by giving written notice to the Supplier.

14 - INSPECTIVE VISITS

The Supplier undertakes to grant, at any time during working hours, having been provided with adequate notice, the access of IPG officials to its facilities to carry out inspections. The inspections are designed to assess the technical/organisational capacity of the Supplier in respecting the specifications of the order and the obligations assumed.

The Supplier must be available to provide IPG officials with technical and technological documentation for the definition of the production process (reliability of the equipment, verification analysis carried out, control plans, etc.) with the exception of those concerning industrial secrets, know-how and techniques.

15 - PRICES

The prices indicated in the order or in the price lists are fixed. Therefore, automatic variations are not allowed on the basis of subsequent cost increases, unless otherwise agreed.

16 - APPLICABLE LAW AND JURISDICTION

This contract is governed by Italian law. For any dispute concerning the execution, interpretation, validity, resolution and termination of this contract and the supply relationships between the parties, the only court to preside is that of Reggio Emilia.

17 - VALIDITY - CHANGES

These CGF will be in effect as from the date of signature by the legal representative of the Supplier. The present CGF will still be considered accepted even as a result of your evasion of an order/contract issued by IPG after the receipt of these

conditions of supply, as the order itself is written "the General Supply Conditions are an integral part of the 'order". Specific clauses agreed with the Supplier to partial modification and/or integration of the general conditions contained in the present contract must be formalised in writing and signed by both parties under penalty of disability.

18 - PROHIBITION OF ADVERTISING

For any advertising or commercial information that refers to commercial relations with IPG, the Supplier must request prior express written authorisation from IPG.

19 - MOG 231

IPG has adopted a Corporate Organisation and Management Model pursuant to Legislative Decree no. 231/2001. The description of the Model and the IPG Code of Ethics can be found on the company website, therefore all IPG Suppliers are required to comply with the principles and rules laid down therein. IIPG reserves the right to terminate the present contract with immediate effect through simple written communication in case of violation by the Supplier (including their employees and collaborators) of the rules and principles contained in the Model and in the Code of Ethics