

ART. 1 - GENERAL TERMS AND CONDITIONS

- a) Below general terms and conditions represent the legal base for all those regulations that were not the object of any different and specific written agreements.
- b) These conditions will make inoperative any provisions to the contrary expressed by the Customer, unless otherwise previously approved by written declaration by 2 Zeta.

ART. 2 - QUOTATION AND ORDER

a) Any request for quotation (RFQ) or purchase order (PO) must come with the technical specification for supply which describes, in every aspect, all technical procedures related to product development, such as products to be realised, nature and manner of the inspections, requested tests for the approval of such products.

RFQ, PO and technical specification are written and, when needed, may be provided together with a computer support. However, this support will only be a means of communication that, in no way, will result authentic to the obligations undersigned with 2 Zeta.

b) 2 Zeta's offer is to be considered valid within the validity period stated in the offer. After this period, quotations may be subject to renegotiation due to raw material price fluctuation.

The same will occur in any case where the Customer brings some changes to the technical specifications or to the product design or to samples that may have been submitted for approval by 2 Zeta.

c) 2 Zeta is obligated only in the terms of express acceptance of Customer's order confirmation. Acceptance must be provided via letter or other suitable means of communication able to generate a document.

d) If the Customer places contractual work orders and intends to supply 2 Zeta with the raw material, 2 Zeta will issue, for each purchase order, a contextual request for raw material supply which will be stated in the Order Acknowledgement. In order to enable the correct fulfillment of the Purchase Order and meet the requested lead time, it is mandatory that following conditions will be respected:

- requested raw material must be delivered to 2 Zeta at least 1 calendar week earlier than the delivery date requested by the Customer (any delays of raw material Suppliers may cause delivery delays to the Customer);
- the raw material quantity requested by 2 Zeta in the "request for raw material delivery", attached to the Order Confirmation, is to be intended as the net quantity required to meet the quantity (pcs) of forged/machine parts requested by the Customer; however, it must be considered that, due to the cutting and trimming waste, the net raw material quantity requested will need to be completed with additional raw material that will be purchased by 2 Zeta;

ART. 3 - INTELLECTUAL PROPERTY AND PRIVACY POLICY

a) 2 Zeta belongs to the industrial sub-contracting sector, which means that the Customer, after resorting to their performances, has decided to turn to a specialist in hot forging process who owns the appropriate systems and skills required.

Unless otherwise expressly agreed, 2 Zeta does not design any product realized.

However, the design process may be in whole or in part subject of the industrial sub-contracting agreement; the Customer, who is totally aware of his product, always assumes full responsibility for it in relation to the industrial result which he pursues and which he knows precisely.

As a result, each 2 Zeta's proposal accepted by the Customer aimed at any improvement in the technical specifications or also aimed at any changes in the product design and, in particular, based on economical considerations relating to the hot forging technique, cannot in any way entail transfer of responsibility. This is particularly applicable in the context of close industrial partnership relationships or contractual relationships entailing a development stage. In such case, the subcontracting contract must define the parties' respective areas of action.

The Customer guarantees 2 Zeta against liability for the consequences of actions that may be brought by third parties as a result of the submission of a purchase order for products covered by industrial or intellectual property rights such as patents, trademarks or registered designs or private rights.

ART. 4 – EQUIPMENTS

a) In case Equipments are provided by the Customer and must compulsory carry markings or assembly and application references, they must be provided free of charge, at the location specified by 2 Zeta.

The Customer assumes responsibility of the perfect match between toolings and drawings with the technical specifications. Nevertheless, upon Customer's request, 2 Zeta makes sure of mentioned above concordance and reserve the right to invoice the cost for such actions.

Modification costs that 2 Zeta considers necessary for the correct purpose of production will be at the Customer's expense, after written advanced notification.

In general and except by prior written agreement issued with the Customer, 2 Zeta does not ensure the service life of equipments.

In addition, in the event that the equipment is supplied by the Customer with drawings and specifications that do not permit the complete verification of exact agreement between these elements, shapes, dimensions and thicknesses of the forged parts will be determined by such equipment. The responsibility for the result shall be borne exclusively by the Customer, previously informed in writing by 2 Zeta.

In any case, if the equipments provided by the Customer result to be non-compliant with the use 2 Zeta reasonably entitled to obtain, the price of the products originally agreed may be subject to a request for revision by 2 Zeta, this agreement between the parties must take place before the production process beginning.

b) In case 2 Zeta is appointed by the Customer to create or modify the forging equipments, 2 Zeta proceeds in agreement with them, according to the needs of his own manufacturing technique.

Realization or modification costs will be charged to the Customer and will be paid to 2 Zeta regardless the products supply.

2 Zeta cannot be considered responsible for the equipments' replacement costs intended to be used once only, in case of scrap caused by normal manufacturing risks. Unless prior agreement about price increase to cover this risk is signed with 2 Zeta, the Customer must provide a brand

new equipment as a replacement or must bear all costs of said equipment if it was provided by 2 Zeta.

c) The equipments' ownership belongs to 2 Zeta when it was agreed that the Customer would participate to a part of the expenses for the realization. These expenses defined as "Participation Costs" are subject of a different invoicing process.

Otherwise, the equipments' ownerships belong to the Customer and equipments remain in 2 Zeta's stock after the realization and the execution of the order. They shall be stored and returned to the Customer, upon his request or by willing of 2 Zeta, in the state of wear and aging at the time of the return. Nonetheless, the Customer will be allowed to get them back only if all pending amounts (for any reason) will be paid.

Equipments will be stored free of charge for 3 (three) years from the last delivery. After this deadline, the ownership will return to the Customer respecting the conditions mentioned in the previous paragraph. However, 2 Zeta and the Customer may agree to extend the storage deadline or to change its terms.

In absence of any agreement signed with the Customer, 2 Zeta reserves the right to destroy the equipments three months after the Customer's default notice remained without effect, or to invoice the storage costs or to restore them in postage paid.

d) 2 Zeta won't use on behalf of third parties the equipments stored in the facility, should them belong or not to 2 Zeta, except upon prior written authorization signed by the Customer.

e) Unless otherwise agreed, it shall be the responsibility of the Customer, who shall be fully responsible for the safekeeping of the stored equipments, to insure them for deterioration or destruction at 2 Zeta, with waiver of any action against the latter.

ART. 5 - DELIVERY TERMS

a) Delivery terms run from order confirmation date and, in any case, from the date on which all paperworks, raw materials and details have been provided from the Customer. The Customer must respect all others preconditions.

b) The nature of the deadline (availability, inspection or delivery, actual delivery, etc.) and its mandatory aspect must be stated and agreed in the contract. In absence of these conditions, the deadline is only approximating.

c) Contract terms shall be extended upon 2 Zeta's request if, for any cause beyond its control, 2 Zeta has been made unable to meet their commitments.

ART. 6 - DELIVERY AND RISK TRANSFER

a) The delivery is always carried out from the facility of 2 Zeta, no matter the supply contract terms are regarding the payment of freight costs.

The delivery will be shipped directly to the Customer's facility or to the carrier agreed in the contract; in case this information was not agreed in the contract, 2 Zeta will choose the carrier.

In case of missing instructions about the shipping address or due to shipment issues independent from 2 Zeta's will, the delivery is to be considered as successful thanks to the simply notification of availability in 2 Zeta's facility; in this case, parts are stored in 2 Zeta's warehouse and invoiced to the Customer.



Except for any different agreement stated in the contract, 2 Zeta is allowed to make partial shipments.

b) The transfer of the risks to the Customer will occur at the time of the delivery as understood above, despite the right of ownership reservation.

ART. 7– PRICES

a) Unless otherwise agreed, contract prices of supplies are unit prices; products are delivered in the condition specified by the contract.

b) Based on express agreement, prices may be:

- subject to revision, increasing or decreasing, on the basis of formulas that take into account, in particular, exchange rates, material costs, energy costs, labor costs, transportation costs, and/or other costs related to the order, anyway held firm for the already agreed contracts.

ART. 8– WEIGHTS

In the particular case of products sold by weight, only the actual weight is authentic (verified at the check-out from 2 Zeta), as the weights provided in the offer and order are only approximate.

ART. 9– QUANTITY

In terms of quantity, the number of items to be supplied is the one stated in the contract.

In case of series production, a tolerance on the number of pieces produced and delivered is allowed and needs to be agreed between 2 Zeta and the Customer at the time of negotiations.

In the absence of such agreement, the tolerance generally allowed is $\pm 5\%$ of the number of pieces stated in the contract.

The number of pieces stated in the shipping documents is to be intended as approximate value only, as the production is managed according to weight.

ART. 10 - PAYMENT TERMS

a) Payment must be made to 2 Zeta.

Payment terms and methods, as well as partial payments, must be the subject of an expressed and agreed contract. In absence of such agreement, net payments and without any discount must be made within 30 days from invoice date. Unless otherwise agreed, equipments costs must be paid within 30 days from the delivery of the prototypes or samples.

b) Should the drafts not be returned with acceptance and bank account details within seven days from their sending, failure to meet the due date of any payment deadline, the occurrence of circumstances that may raise serious doubts about the Customer's solvency and, in particular, the existence of a pretext or collateral claim against the company, automatically give 2 Zeta the right to choose, with no need of a formal default notice:

- the loss of the deadline, therefore the immediate demand of the still pending amounts (under any title), and also the suspension of any further delivery;

- the termination of all current contracts with the right to retain, until the settlement of the compensation, the partial payments received, equipments, raw material received and still stocked at 2 Zeta.

- c) All interest equal to the re-financing rate, set by the European Central Bank for the most recent and main re-financing operation carried out on the last day before the half-year in question increased by 7 points, become effective on the overdue amounts and with no need of default notice. The Customer is not allowed to refuse, in whole or in part, for any reason or claim and, in particular, for warranty claims, the payment of sums due to 2 Zeta, without the consent of 2 Zeta.
- d) In the case of subcontracting, the Customer of 2 Zeta (operating as a subcontractor) agrees, in accordance with the relevant legal provisions, to require its Customer to directly pay the amounts due to 2 Zeta.

ART. 11– SAMPLES, TESTS AND APPROVALS

For series orders, the Customer should request the production of parts - samples which will be provided to him by 2 Zeta for approval after all the necessary inspections and tests. Samples approval must be submitted by the Customer and sent to 2 Zeta by letter or any other suitable means of communication used to generate a document.

In any case and even in the absence of acceptance, the nature and extent of the necessary controls and tests, the rules of sampling and acceptability, and tolerances of any type must be specified on the drawings and in the technical specifications the Customer is obliged to attach to his request for quotation and must be confirmed in the contract agreed between 2 Zeta and the Customer.

Since the ground and method of non-destructive testing can only be defined according to the design of the products, the Customer must always specify, in his request for quotation and in his order, what tests he intends to make, what parts of the products are intended for, and the sampling and acceptability criteria to be applied, in order to determine, in particular, the conditions for enforcing the guarantee defined in Article 13.

In the absence of a technical specification regarding the inspections and tests to be performed on the products, 2 Zeta is limited to performing only a visual and dimensional inspection. The inspections and tests considered necessary by the Customer, their nature and extent must be carried out upon his request by 2 Zeta or by a laboratory or another third party agency and must be stated during the time of the conclusion of the contract. Where testing is required for acceptance, the extent and conditions of such testing shall be specified in the contract.

In the event of default by the Customer or the inspection agency, the products are deposited by 2 Zeta at the Customer's expense and risk

After the second notice of availability sent by 2 Zeta and remained without any effect in the 15 days following its submission, the material is considered tested and 2 Zeta has the right to proceed with the shipment and billing.

In all cases, inspections and tests are carried out within the framework of appropriate standards, according to the conditions defined by the drawings and technical specifications, decided by the Customer and accepted by 2 Zeta.

ART. 12 - QUALITY INSURANCE

If production is carried out under a Quality Assurance system, this condition must be stated by the Customer in the request for quotation and order, and 2 Zeta, in turn, must confirm it in its quotation and acceptance of the order, without subject to the terms of the previous articles.

ART. 13 - LIABILITY AND GUARANTEE

a) 2 Zeta is bound only for obligations assumed in writing, which means that the only obligation is to supply the Customer with products conforming to the drawings and requirements of the contractual technical specifications, as defined above, or approved by the Customer with the acceptance of sample parts or prototypes.

b) 2 Zeta's guarantee consists, after agreement with the Customer:

- in giving credit to the Customer for the cost of products which resulted to be non-compliant with the drawings and contractual technical specifications or sample parts accepted by the Customer;
- in replacing non-conforming products free of charge;
- in fixing the parts, or making them fixed by a third part;

Products that 2 Zeta replaces generate a credit note; replaced parts are invoiced at the same price as those to be replaced.

The fixing process will be performed according to the Customer's preferred methods. 2 Zeta will assume the costs of reparation, should it be carried out by the Customer or by a third party, and will provide the Customer with its consent for the costs to be charged.

Replacement or repair of products, agreed between 2 Zeta and the Customer, does not change the guarantee terms.

2 Zeta reserves the right to choose the carrier for the collection of non compliant parts that will be delivered at 2 Zeta by freight collect.

c) Under penalty of losing the right to the guarantee as defined above, the Customer must report the defects identified and expressly request the replacement or repair of the products in question within the maximum time limit, starting from delivery:

- of 15 days for clear defects;
- of 1 month for hidden/internal defects, reduced deadline as required by the standard for series production. After these deadlines have passed, no more claims will accepted.

Any repair of products carried out by the Customer without the consent of 2 Zeta on its purpose and cost will lead to the loss of the right to guarantee.

d) The guarantee and liability of 2 Zeta does not extend under any circumstances to:

- to the damage to goods and people and, in general, to the damage caused by a defective product during its use, when the defect is caused to the design or the assembly where it is incorporated, to instructions of any kind provided by the Customer to 2 Zeta or to treatments or modifications carried out on the product after its delivery.
- to the damage to goods and people and, in general, to the damage caused by a defective product during its use, if the Customer has used it without having made all the inspections and tests that would have been necessary in view of the design, use and industrial result pursued.
- to the costs of operations that the forged items incur after delivery by 2 Zeta prior to their final use, especially chemical treatments, mechanical processing, assembly and disassembly with other components, inspections capable of revealing redhibitory defects according to the contract, shipping, and withdrawal of the product from circulation.

ART. 14 - RESERVATION OF OWNERSHIP

Supplies are made based on the reservation of ownership term, according to the law of the State where the goods are located at the time of the claim.

This clause means that the transfer of ownership of the delivered goods occurs only after full payment of the price.

ART. 15– SAFEGUARD CLAUSE

In the event of the arising of events and/or more generally of developments in circumstances that are independent and external to the will of the parties and that compromise the economy of the contract in a way that the performance of its obligations becomes excessively burdensome for one of the parties, the parties will negotiate amendments to the contract in order to consider such events and/or such developments.

In absence of such agreement about such amendments within the timeline of 45 days from notification receipt, which must be sent via registered mail with return receipt, by which one of the parties declares its intention to avail itself of the provision of this article, the latter may terminate the contract as of right after the lapse of fifteen days' notice by registered mail with return receipt. The economics of the contract and therefore the application of this article will be compromised neither by the most convenient offer (especially, at lower prices or shorter terms, etc.) nor by the changes of any nature (such as, decrease in purchased volumes, breakdowns, etc.), and whatever the cause and the relationship between the customer of 2 Zeta and its own Customers.

ART. 16– JURISDICTION

These general terms and conditions and the contracts that refer to them are governed by Italian state law.

The parties expressly declare that they will not apply the United Nations Convention on the International Sale of Goods signed in Vienna on April 11, 1980.

The parties hereby commit to make every effort to settle in an amicable settlement any dispute concerning their interpretation and execution.

In case the agreement was not achieved, the attempt to set up the amicable settlement would be considered as failed, unless the parties would not stipulate a written agreement within 60 dys from the notification of the controversy sent via registered mail with return receipt by the most diligent one; furthermore, in absence of any different agreement, the competent authority will be only the Tribunal of Brescia, regardless of any contractual conditions and the payment method agreed are, e, in mancanza di diverso accordo, è competente a risolvere le controversie unicamente il tribunale di Brescia, qualunque siano le condizioni contrattuali ed il sistema di pagamento concordato, even in the case of guarantee call and plurality defendants.

Read and confirmed with approval of each clause and more specifically those in articles 3 (Intellectual property and confidentiality), 4 (Equipment), 6 (Delivery



GENERAL SALES TERMS AND CONDITIONS

terms), 7 (Delivery and transfer of risks), 9 (Quantity), 10 (Payment terms), 11 (Pieces - sample, inspection and acceptance of products), 13 (Liability and warranty), 15 (Safeguard clause), 16 (Jurisdiction), pursuant to Article 1341 of the Civil Code.

Date and Place

Legal representative's stamp and signature

In the absence of your written notice to the contrary, sent to us in written form within 15 days of receipt of this notice, the above terms and conditions of sale will be considered fully accepted.