

General Purchase Conditions

1 General Principles

The present General Purchase Conditions are the sole ones governing the orders placed by Sirio Sistemi Elettronici S.p.A., herein referred to as "SSE SpA" with its own "Suppliers". Any changes or additions, as well as any condition of sale of the Supplier differing in whole or in part from the present General Purchase Conditions shall only be considered valid where specific written acceptance of such is issued by SSE SpA. Otherwise, the present General Purchase Conditions shall prevail between the parties.

2 Concluding the Agreement

The relationship between SSE SpA and the Supplier shall be considered established upon receipt of confirmation of the order. The order must be placed in writing. Such form of written communication is also considered valid by fax or via electronic communication. Where the Supplier does not accept or does not confirm the order in writing within one calendar week of receipt of order, SSE SpA is within its rights to cancel and revoke the order.

All correspondence shall always be referred to by its purchase order number and shall be addressed, with the exception of invoices, to the Purchasing Department, as detailed on the same purchase order.

3 Delivery of goods/Provision of Services

The date indicated in the "delivery date" column shall be understood to mean the requested date of arrival of goods in accordance with the requirements set out by SSE SpA, at the destination detailed in the order. The receipt of goods at the destination shall in any case constitute condition for payment of invoice.

The terms of delivery set out in the order are to be considered as fundamental. The goods shall not be considered accepted unless the above-detailed delivery date is met.

SSE SpA reserves the right to reject or store in the warehouse at the risk and expense of the Supplier any goods delivered prematurely with regard to the delivery date indicated.

Deliveries or supplies differing from those specifications set out in orders may be rejected by SSE SpA.

Installment order deliveries of goods shall be allowed only with the permission of SSE SpA and such agreement, where it is conceded, shall not authorize the Supplier to claim payment before complete fulfillment of the Order unless SSE SpA has consented to such.

Delivery shall be considered complete only if those Goods or Services agreed upon are delivered in their entirety and conforming to the Order and at the place indicated by SSE SpA.

The Supplier shall be held responsible for all damages and costs incurred by SSE SpA as a result of delays in delivery unless such delays are due to circumstances beyond the control of the former. It remains the right of SSE SpA to cancel the purchase order in the case of delay of deliveries caused by the Supplier which in no way limits or changes that which is detailed above..

4 Prices

The prices agreed upon shall remain in force regardless of the circumstances, including those beyond one's control, fluctuations in the price of goods and labour costs, from the date of the order itself until total completion of the contract or until its termination, unless otherwise requested by SSE SpA, and any variation of price shall be agreed upon by the parties.

5 Transport

The Supplier, unless otherwise indicated, shall use the form of transport and/or method of delivery detailed in the order. Where this is not adhered to, SSE SpA shall charge costs incurred to the Supplier.

The Supplier, if authorized by SSE SpA to carry out direct deliveries, must employ the most economic means. In such case, delivery costs must be charged separately and documented in regular invoices. The clearance of goods shall be considered completed with right to inspection. In the case of "free at destination" delivery, the quantity and weight recognized are those determined upon arrival at the premises of SSE SpA or at the destination indicated by the same.

Those risks associated with the goods shall be the responsibility of SSE SpA according to the point of delivery detailed in the order. Any loss or damage incurred prior to transference of ownership shall be the responsibility of the Supplier.

6 Packaging

The Supplier must ensure appropriate packaging of goods, subject of supply, as indicated in the purchase order, or, where not specified in the order, in accordance with those methods generally employed in business, such as to ensure that loose goods may be easily inspected and that worked machine parts are not damaged during transit. In any case, the Supplier shall be entirely responsible for all damages incurred to goods due to unsuitable packaging and shall compensate SSE SpA for all resulting damages.

Where, due to size or weight, appropriate packaging proves difficult, such items must be placed on flatcars, pallets or in any case placed on crossbeams of adequate thickness to allow safe lifting and unloading. Any forms arriving at destination presenting difficulty in unloading will not be accepted and shall be returned to the sender.

7 Circumstances beyond one's control

In those circumstances beyond one's control, disruption to operations beyond the control of SSE SpA including uprising, natural catastrophes, government actions and any other unavoidable events, SSE SpA shall be freed from the responsibility of accepting goods and/or services, for the entire duration of such events.

The party affected by such circumstances shall notify the other party in writing of such an occurrence within 7 days of its commencement with subsequent confirmation within 15 days of commencement of the same event, by means of approbatory documentation in the form of a declaration by a qualified authority (for example the Chamber of Commerce). Subsequently, the same party shall notify within 3 days of its termination, the end of such circumstances.

8 Inspections - Final inspection

SSE SpA has at any time the right to inspect, examine or carry out a final inspection of goods or services in order to ascertain where the goods are located or where the services are being carried out.

The inspection, examination or final inspection on the part of or on behalf of SSE SpA does not release the Supplier from any obligation or responsibility set out in the purchase order.

9 Refusal of goods

SSE SpA reserves the right to reject all or part of the goods and/or services which it considers does not conform to those specifications set out in the order and to return to the Supplier the goods/services rejected, the cost of which shall be borne by the latter. In the case of refusal of supply on the part of SSE SpA due to discrepancies between that which has been ordered and that received, it shall be the responsibility of the Supplier to carry out all necessary actions in order that conformity is ensured as set out in the order and in the shortest time possible. SSE SpA has the right to seek full compensation for all damages incurred and that may be ongoing whether contractual or extra-contractual as a result of the order/contract not being processed on the part of the Supplier within the timeframe and according to the means defined.

10 Guarantee

The Supplier shall guarantee SSE SpA satisfactory execution of supply and, in any case, that the supply itself shall correspond to the features, rules and specifications agreed upon, that the materials employed shall be free from faults or defects and that the planning and the working shall have been carried out in perfect workmanlike fashion and in employing to the most up-to-date technologies.

The guarantee period will have to conform to that dictated by applicable European regulations or international conventions. Any approval of dispatch on the part of the inspectors at SSE SpA shall be considered acceptance that the order is free from any evident faults or defects and in any case subject of inspection, apart from the guarantee covering hidden faults which are subsequent revealed; furthermore, where during the above-mentioned period, supply is not executed in conformity to those features, rules and specifications agreed upon, relating always to the type and hidden aspects and for those factors attributable to the Supplier, the same shall be bound, optionally and with the prior approval of SSE SpA:

- 1) to substitute on-site at the effort and expense of the supplier, supply of the same goods which conform to the specifications contained within the order.

or

- 2) to repair and render usable at the effort and expense of the supply, without delay (or within the terms requested by SSE) the defective or non-conforming subject of supply.

That being stated, SSE SpA reserves the right, in the case of failure to respect the terms detailed above or where there is serious and irreparable breach by the Supplier, verified in the due process of the parties, to refuse definitively the delivery and to substitute at the expense of the Supplier with other equal goods which conform to the specifications contained within the order, with subsequent resolution of the same order. In the case that a new delivery has to be commissioned and carried out by a different supplier, the task and expense must be agreed in advance by the parties. In this case, the Supplier shall compensate SSE SpA for the greater part of any damages incurred. All those items which have to be repaired or substituted during the period of guarantee shall be subject to a new period of guarantee equal to that stated in the original.

11 Supplementary documentation

Any materials supplied against the order must be correlated by copies of certification and copies of instruction and maintenance manuals.

At the point of preparation for dispatch of materials, the relevant certificates, each stamped with "conforming to the original" and bearing an original signature from the quality control unit, attesting to conformity to the original, must be sent with an accompanying letter contained in a sealed envelope addressed to the "SSE SpA Purchasing Department". All documentation sent must contain at least the following information:

- description of the certificated component;
- order number, position of order, SSE SpA product code;
- SSE SpA order number;
- specifications of reference for the means of conducting checks and for the assessment of the results.

In the case of supply of systems, the documentation must bear an index summarizing the accompanying documentation.

All certification to be produced constitutes to all effects an integral part of the supply of the present order. Failure to send such certification may constitute reason to reject the goods sent by the Supplier and, where ultimately a decision is made by SSE SpA, that the materials are to be in any case retained and used, the terms of payment of the relevant invoice shall run without exception from the date of receipt of the missing documentation.

12 Penalties (clause to be activated explicitly on the order)

In the case of breach on the part of the Supplier relating to the date of delivery non attributable to the valid reason of circumstances beyond one's control, it is understood that SSE SpA shall seek to resolve the order and that the Supplier shall pay SSE SpA, in the form of a penalty, a figure equal to 1% of the amount of the goods for each entire week of delay, whatever the nature of the undelivered goods, including the required documentation and certification.

Where the above may be applied, also in the case of any goods which, even if delivered in accordance with the contract date are rejected at inspection due to defects attributable to the Supplier, all other obligations detailed in the present order constituting duties of the same Supplier shall remain.

The present clause, in order to be contractually applicable, must be explicitly detailed within the body of the order.

13 Subcontract work goods supplied by SSE

Any goods supplied by SSE SpA in manufacturing account shall be managed by the Supplier under their complete responsibility. The goods belonging to SSE must be placed in warehouses and used in an appropriate manner in order to avoid damage or loss. Where the opposite is found, the Supplier shall assume costs for all damages incurred, without any recognition for work carried out.

14 Modifications and revisions of the orders

SSE SpA has the right to make any change to the order (quantity, place and date of delivery, means of dispatch and packaging etc) and such changes shall not render the order flawed or invalid. The Supplier shall duly inform SSE SpA of any change in price or timeframe brought about as a result of the changes requested and such changes shall be agreed in writing by the parties in an amended version of the purchase order.

15 Transportation documents and invoicing

The following information must be reported in invoices:

- a. Purchase order number;
- b. Position of each order with SSE SpA product code, relevant description, quantity dispatched and unit price;
- c. Bank to be credited including IBAN code for Italian suppliers;
- d. Consignee of the goods;
- e. Dispatch documents.

The invoice shall be subject to those tax conditions applicable at the time of invoicing.

The dispatch documents, represented by the Transportation Document for those goods of Italian origin, to be provided in 3 copies, in accordance with the applicable tax rules, shall be clearly detailed: purchase order number, position of each order dispatched with SSE SpA product code and relevant description and quantity.

Where goods are sent to a destination other than the premises of SSE SpA, the invoices, copies of the Transportation Document for administrative use, signed by the hauler moving the goods, or similar dispatch documents, shall be sent immediately by fax to the SSE SpA administrative office.

If the sent documentation is found to be incomplete or does not conform to the above-detailed conditions, the terms of payment of the corresponding invoices shall run from receipt of the documentation requested.

16 Cancellation and suspension

It is within the rights of SSE SpA to cancel or suspend the order in question, in whole or in part, where circumstances are identified which necessitate a relevant change to the conditions which lead to the stipulation of the same order.

17 Cessation of credit

The cessation of credit, specific collection orders or other systems of delegation of payments shall not be permitted without the prior and express approval on the part of SSE SpA.

18 Prohibition of subcontracting

The Supplier is absolutely forbidden, under penalty of cancellation of the purchase order and reimbursement for all damages and expenses, to entrust to third parties the entire or partial execution of the work assumed, without the prior and explicit written authorization of SSE SpA. In the case that the Supplier has been authorized to entrust to third parties the partial or total execution of the purchase order, the same must provide and include within the suborders all the requirements and duties, none being excluded, as detailed in the original purchase order, sending a copy of this to SSE SpA within 10 days of issue. The Supplier shall, in any case, remain directly responsible towards SSE SpA for the correct execution of the purchase order, jointly with the sub supplier, including any compensation for damages. In the case that during the course of execution of the work, the sub supplier is found to be unsuitable to carry out the works assigned to it, it is within the rights of SSE SpA to impose upon the Supplier, by means of written communication, the immediate cancellation of the sub-supply relationship.

19 Confidentiality

The designs, details of ownership relating to SSE SpA and the accompanying documentation even if this does not belong to SSE SpA, but is relevant to the order issued, contain information of a technical nature and are provided to the Supplier for the sole purpose of execution of the purchase order. As such, these documents may not be copied, passed on to third parties or used for the execution of own work or third parties deliveries. It is the duty of the Supplier to safeguard these under its full responsibility with the maximum care entrusted to it by SSE SpA.

20 Disputes

For Italian suppliers:

Any dispute or controversy stemming from the execution and/or application of the purchase order which cannot be resolved in an amicable fashion between the parties shall be presented in a definitive manner before the judge of the Court of Prato.

For non Italian suppliers:

Any dispute or controversy stemming from the execution and/or application of the purchase order which cannot be resolved in an amicable fashion between the parties shall be settled in a definitive manner, according to the Regulations of Conciliation and Arbitration of the International Chamber of Commerce, by one or three judges appointed in accordance with the above-mentioned regulations. The judge or judges shall reach a decision taking into account the content of the present General Purchasing Conditions and other information contained within the contractual documents constituting the purchase order. Where this is not sufficient to resolve the dispute, Italian law shall be applicable. The place of arbitration shall be the city of Rome, Italy. The arbitration process shall be conducted in English or Italian according to the agreements between the parties. Where an agreement is not reached, the process shall be conducted in English.

21 Dissolution of the contract

The purchase order shall be considered to be legally dissolved where the Supplier breaches even just one of the requirements detailed in the previous points with all costs incurred as a result of damages to be awarded in favor of SSE SpA.

In the case of dissolution of the contract as a result of or due to fault on the part of the Supplier, the same shall receive payment only for works regularly executed. Where damages incurred by SSE are contested, the Supplier recognizes the right of the same SSE to suspend payment until such damages have been quantified, as well as the appointment of relevant compensation.

In the event that SSE SpA, in accordance with the regulation of article 1456 of the Civil Code declares the right to avail itself of the dissolution clause expressed, the Supplier shall be bound to return the goods in the state in which they are currently found.

SSE SpA, if and when it considers necessary, shall have the right to obtain in whole or in part the goods, tools and machinery located on site.

22 Responsibility for return of goods/services to SSE or to the SSE site

The Supplier shall adopt all necessary precautions in order to avoid any damage to persons or property of SSE SpA and/or third parties during the execution of the service or during the supply of goods.

23 Insurance for rendering of services at the premises of SSE or SSE sites

The Supplier must take out at its own expense a form of General Insurance against all risks, with a national primary insurance company, to the complete satisfaction of SSE SpA, and must provide, upon request by SSE SpA, the relevant certificate issued by the insurance company in which it is stated that insurance cover is in force.

The Supplier shall moreover commit to not cancelling or changing the terms of the insurance policy without prior authorization on the part of SSE SpA. Besides that which is indicated above, the Supplier shall compensate SSE SpA for damages to persons or property deriving from the use or sale of goods supplied, conforming to those Italian regulations applicable in fact of insurance of items sold.

24 Property of SSE SpA

Unless otherwise agreed in writing, all the tools, equipment or materials of any sort, supplied by SSE SpA to the Supplier or paid for expressly by SSE SpA and any substitutive material which is complimentary or accessory, shall be and shall remain the property of SSE SpA. Such items and, where possible, every individual element, shall be clearly marked and suitably identified, on the part of the Supplier, as property of SSE SpA. The above-detailed items shall be kept in a warehouse by the Supplier, in secure conditions, distinct and apart from the property of the same Supplier. Whilst under the guardianship or control of the Supplier, these items constituting property of SSE SpA shall be held at the risk of the former, and insured by the Supplier at its own expense for an amount equivalent to its value and shall be returned to SSE SpA as and when requested by the latter. In such cases, the Supplier shall return the above-mentioned items to SSE SpA in the same condition in which they were received, apart from wear and tear due to normal use, at the Supplier's expense.

25 EC Community Directives and Legislation

The Supplier is bound to respect that which is dictated by those Directives issued by the EC which are applicable to supply, subject of the purchase order. In addition to that mentioned above, the Supplier, under its direct responsibility, must fulfill in the measures in which they are applicable, all requirements dictated by Italian law pertaining to the execution of supply of goods and services.

26 Applicable legislation

The purchase order, its clauses and the General Conditions of Purchase are governed and formed in accordance with Italian legislation.

27 Information to customers and suppliers regarding handling of personal data

Information regarding the handling of personal data is accessible on the site www.sse.cc/supplier_area. Suppliers are bound to familiarize themselves with this to fulfill those legal requirements applicable.