

## 1. GENERAL

These general conditions of purchase rules any contractual relationship between mG miniGears SpA (hereinafter the "**Customer**") and their suppliers (hereinafter the "**Supplier**") for the supply of material and components to Customer for production and marketing of units for the transmission of motion, machines, equipment and tools (hereinafter the "**Products**") according to a purchase order by the Customer (the "**Order**") accepted by the Supplier, as well as according to any specific agreements entered into by and between the Customer and the Supplier. Amendments and additions to these general terms and conditions of purchase must be agreed in writing.

## 2. PURCHASE AGREEMENT

2.1 A purchase agreement is concluded when an order placed by the Customer is accepted by the Supplier or if the Supplier, without having expressly accepted the Order, executes the performance specified in the Order. Orders are managed through the Customer portal.

2.2 In the event of a stipulation in writing of any further possible agreements between the Customer and the Supplier (the "**Agreement**"), these conditions still apply to the extent that they are not departed from, or inconsistent with, the Master Agreement.

2.3 Unless otherwise agreed between the Parties, in case of inconsistency between Order and general terms and conditions of purchase, the provisions contained in the accepted or executed Order shall prevail.

## 3. DELIVERIES PLAN

3.2 The Supplier must comply with the deliveries plan from time to time transmitted by the Customer with reference to the Products covered by the various Orders. The deliveries plan also includes forecast of requests and final requests.

3.3 The Supplier must maintain a production capacity suitable to the demand forecasting and must notify the Customer if it deems not to be able to meet such requests.

## 4. NON-EXCLUSIVE RIGHT

There is no exclusive right in favor of the Supplier.

## 5. RAW MATERIALS AND MATERIAL FOR WORKMANSHIP ONLY

5.1 The Supplier shall provide the Customer with the documentation certifying the quality and characteristics of the materials used in the manufacture of the Products. The Supplier must also make, according to the conditions provided by the customer, the statement for the origin of the goods.

5.2 Unless otherwise agreed in writing between the Parties, the Customer shall remain the owner of the materials supplied for workmanship only and of the waste of the manufacturing carried out with such materials (i.e. off-cuts, scrap or rejects). In case of delivery of the material of the Customer for workmanship only, the Supplier must notify the Customer – under risk of forfeiture within three (3) days as from the delivery - any possible difference between the delivered materials and those indicated in the transportation document.

5.3 The Supplier is the keeper of the material received for workmanship only, it must provide for its conservation with diligence and it must use it exclusively to carry out the Products of the Purchase Agreement. The Supplier must also keep separate the Customer's goods and materials from its own goods and materials and/or of third parties, and must allow the Customer to check the status of conservation and use of such goods and materials.

5.4 In case the Customer required the Supplier to purchase special equipment for the manufacturing of the Products, such equipment, if not otherwise agreed between the parties, shall remain the exclusive property of the Customer and cannot be used by the Supplier to provide third parties.

5.4 The Supplier shall keep the equipment with the utmost care and keep it in condition suitable to manufacture the Products, at its own expense.

## 6. DELIVERIES

6.1 The Supplier shall deliver the Products on the date fixed by the Order. The Supplier must inform the Customer of any event that may endanger the timely performance of the deliveries. If the Customer notifies the closure of its warehouse for holidays or inventory, the Supplier shall postpone the deliveries scheduled during the closing period at the reopening date.

6.2 If the amount of Product delivered does not conform to the one agreed upon, the Customer shall have the right to:

a) In case the quantity delivered is bigger than the ordered one, (i) accept the bigger quantity delivered, ascribing as account on the following deliveries

of the same Product, being understood that the price on the bigger quantity delivered must be paid to the Supplier together with the price of the next scheduled delivery; or (ii) reject the surplus, which will be returned using conventional carriers by the Customer to the Supplier at risk and expense of the latter;

b) in case the quantity delivered is smaller than the ordered one, obtain immediate shipment by the Supplier of the missing Products, at Supplier's expenses.

6.3 In case of late delivery with respect to the term as specified in the Order not due to force majeure circumstances, the Customer in addition to the remedies provided by the law, shall have the right to cancel the Purchase Order, refuse the performance therein and buy from another supplier, charging to the Supplier the possible greater expenditure, except for the compensation for damages and the right to obtain from the Supplier a refund of any possible charge, due to the delay, debited to the Customer by the end customer.

6.4 Unless otherwise agreed between the Parties, deliveries must take place by the headquarters of the Customer according to terms DAP (Incoterms® 2010).

The receipt of the Products by the Customer and the payment of the price does not imply any waiver of the Customer to the rights and the actions to which it will be entitled according to the agreement and/or to the law.

## 7. QUALITY AND CONTROLS

7.1 Unless otherwise agreed in advance, the Supplier, at its own expense and costs, undertakes to perform and/or to carry out the tests and/or the controls necessary to establish the reliability and suitability of the Products for the intended utilization and their compliance to the requirements provided by the Customer as well as to the Italian and foreign laws. The results of the above checks and tests will not bind the Customer, who shall have the right to approve the supply at its sole discretion. If required by the Customer, the Supplier shall deliver a sample of the Products.

7.2 The Supplier states to comply with the requirements provided by the "Quality Manual for Suppliers PO PUR 04 rev.5" of the Customer and undertakes to put in place and maintain resources and control and production processes suitable to ensure that the Products to be delivered are, at any time, made up with reliable materials and labour, of proper quality and compliant to the technical requirements of the Customer.

7.3 Considered the commitment of the Customer to promote its environmental and protection of health and safety in the workplace policy also by its suppliers, the Supplier acknowledge, for having received a copy, the procedure of the Customer for the management of the indirect environmental aspects related to the manufacturing of goods and agrees to apply the provisions of the same procedure. The Supplier also agrees to comply with the current environmental law (Legislative Decree no. 152/2006, and following amendments) as well as with the law for the protection of health and safety in the workplace (Legislative Decree no. 81/2008, and following amendments)

## 8. PRODUCTS WARRANTY

8.1 The Supplier shall warrant the end customer for a period of two (2) years as from the date of delivery for the conformity of the Products with the applicable law and to all the agreements entered into between the parties, as well as the lack of defects and flaws. Any discrepancies and/or defects of the Product must be reported by the Customer within 60 (sixty) days as from the date of knowledge of the defect by the Customer, by written notification to the Supplier.

8.2 In case of defects the Customer has the right to (i) obtain at Supplier's expenses the immediate replacement of the faulty Products with consistent Products or, at discretion of the Customer, (ii) return to the Supplier - at the expense and risk on the latter - the whole lot in which were found the faulty Products and terminate the purchase for the part pertaining the Products returned. In urgent cases, or in cases where the Supplier is unable to timely manage the situation, the Customer may also carry out or appoint third parties to carry out remedies on the faulty Products in order to eliminate the defects. The foregoing does not prevent in any way the right of the Customer to obtain reimbursement of all costs related and due to the presence of the defects (including the amounts that the Customer could have paid to end users because of the faulty Products) and the compensation for damages, even for production standstill.

8.3 The Supplier undertakes to conclude and maintain, at its own expense, for the entire duration of the supply to the Customer a suitable insurance

### mG miniGears Spa

Società unipersonale  
soggetta all'attività di direzione  
e coordinamento di  
hGears Holding GmbH

### Sede legale di Padova

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### Capitale Sociale

Euro 2.000.000 i.v.  
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06114600965  
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REA PD - 420498

policy for liability insurance products, with waiver of recourse against the customer. The Supplier agrees to send to the client a copy of said policy agreement and any subsequent amendments.

**9. PAYMENT - NO CREDIT ASSIGNMENT**

9.1 The Supplier shall not assign or delegate its credit towards the Client in any form.

9.2 The Supplier agrees to insert in each invoice issued to the Client an express statement of prohibition of assignment or delegation of the credit towards the Customer. If not, the Customer shall have the right to reject the invoice of the Supplier and to claim for the regularization of it.

**10. NO ASSIGNMENT OF THE AGREEMENT**

The Supplier shall not assign, in whole or in part, the purchase agreement, to a third party.

**11. SUBCONTRACTORS**

The Supplier shall not subcontract unless otherwise previously agreed in writing with the Customer.

**12. APPLICABLE LAW AND JURISDICTION**

12.1 These terms and conditions of purchase, the purchase orders and the purchase agreements regulated by said terms and conditions are ruled by the Italian law with the exception of the application of the rules on conflict of laws or of any other international agreement.

12.2 Any dispute between the parties relating to these general terms and conditions of purchase, the purchase orders and the purchase agreements regulated by said terms and conditions shall be exclusively submitted and definitively settled by the Court of Padua, Italy.

**13. CODE OF ETHICS**

13.1 The Supplier is aware of the content of the Code of Ethics "HR 04 vers.1" of the Customer and is committed to acting in a manner consistent with the provisions contained therein.

**14. PRIVACY**

According to Section 13 of the Legislative Decree no. 196/2003, the Parties shall mutual agree to the inclusion and processing of their personal data in their respective database.

By signing the Supplier declares to have read these general conditions of purchase and that they are fully accepted.

Date: \_\_\_\_\_ The Supplier: \_\_\_\_\_

According to Section 1341 of the Italian Civil Code the Supplier declares to know and to accept unconditionally the provision under Section 6 (DELIVERIES); 7. (QUALITY AND CONTROLS) 8 (PRODUCTS WARRANTY) 9 (PAYMENT - NO CREDIT ASSIGNMENT) 10 (NO ASSIGNMENT OF THE AGREEMENT); 11 (SUBCONTRACTORS); 12 (APPLICABLE LAW AND JURISDICTION)

Date: \_\_\_\_\_ The Supplier: \_\_\_\_\_

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