



STEELTRADE s.r.l – GENERAL PURCHASE CONDITIONS

DEFINITIONS

In these General Terms and Conditions for Purchasing:

1. The word "Buyer" shall mean Steeltrade s.r.l
2. "Seller" shall mean the person or the company with whom The Order is placed
3. "Goods" shall mean Product / Materials / Services / Document / Supply and related service thereof to be furnished by the Seller.
4. "Order" shall mean the Purchasing Order placed by the Buyer for the supply of The Goods.
5. "Contract" shall mean the purchasing agreement to be entered into by and between the Buyer and the Seller in accordance with Clause 1.
6. "Specification" shall mean any technical description, drawing of the Goods or packing instructions contained attached or referred in the Order.
7. "Customer" shall mean the person or Company to which the Buyer furnishes their Equipment, including the Goods supplied by the Seller.
8. "Party(ies)" shall mean the Seller and/or Buyer
9. " General Purchase Conditions" shall mean this document.

1. CONTRACT

The Contract shall be deemed to have been entered into by and between the Buyer and the Seller when, upon receipt of the Order, the Seller sends in writing the relevant Order Acceptance (or Order Confirmation) without reserves. Such Order Acceptance shall be returned within 2 days (48 hours) from Order date. Should Seller fail to return the Order Acceptance within above mentioned period, the Contract shall be deemed to be binding for the Seller. These General Purchase Conditions shall constitute an integral part of the Contract. The Contract shall constitute the entire agreement between the Buyer and the Seller. The parties shall not be bound by any statement, representation, promise, inducement, or understanding of any kind not set forth in the Contract. Any change, amendment, or modification of any of the terms and conditions of the Contract or waiver of any of the terms hereof shall be made in writing and executed by the Parties. Any other acknowledgment form or other form of the Seller containing terms and conditions submitted by the Seller shall not have the effect of modifying the terms and conditions hereof. These General Purchase Conditions in any case prevail on any term and condition submitted by the Seller. The Buyer will consider the Seller's requests for changes only if such requests are in writing and are directed to specific clauses in the Order. No change shall be binding upon the Buyer unless specifically accepted in writing.

2. ORDER OF PRECEDENCE

If any conflict, inconsistency or ambiguity is believed to exist among any of the documents comprising or relating to the Contract or among any of the requirements or provisions thereof, the conflict, inconsistency or ambiguity shall be resolved by applying the following order of precedence:

- (a) The Order
- (b) The Specifications
- (c) The General Purchase Conditions
- (d) Other documents comprising or relating to the Contract

If the seller finds and notifies the Buyer of any conflict, inconsistency or ambiguity among any of the documents comprising or relating to the Contract or among any of the requirements or provisions thereof, the Buyer shall determine in writing the proper resolution of such conflict, inconsistency or ambiguity, and both parties shall be bounded by that determination. If the seller resolves any such conflict, inconsistency or ambiguity without Buyer's written determination, the Seller proceeds at its own risk and expenses, and the Buyer shall be free thereafter to resolve the conflict, inconsistency or ambiguity differently from the Seller without making an equitable adjustment in the price of the Contract and without incurring any liability to the Seller because of the Seller's having proceed in accordance with its own interpretation.

3. PRICE AND PAYMENT

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Unless otherwise stated in the Order, all prices for the Goods are firm and fixed and are not subject to price escalation for any reason whatsoever. Any applicable sales, use or similar taxes levied in the country of manufacture, export charges, fees, and all other expenses are included in the price. Payment will be made in accordance with the applicable provisions of the Order.

4. DELIVERY

Time of delivery shall be essence of the Contract and the Seller shall deliver the Goods in accordance with the requirements specified in the Contract. The terms and conditions of the delivery shall be interpreted in accordance with INCOTERMS 2010 (International Rules for the interpretation of the Trade Terms) published by the International Chamber of Commerce in and its supplements. The delivery will be deemed as completed only at receipt of the Goods by the Buyer including all relevant documents / certificate as required by the Contract.

5. TITLE AND RISK

Title and risk of loss and/or damage to the Goods shall pass to the Buyer in accordance with the provisions of INCOTERMS 2010 and its supplements, unless otherwise specifically mentioned in the Order. The Seller shall pass to the Buyer proper title of the Goods. In the event of any defect in the title, the Seller shall, at the request of the Buyer and at the Seller's expenses, remove such defect and replace the Goods with other Goods free from such defect. The Seller shall bear all charges and expenses for such removal or replacement, including transportation charges.

6. PRODUCTION SCHEDULE

The Seller, upon request of the Buyer or in compliance with Order requisition provide a production schedule showing the manufacturing position of the Goods, and inform the Buyer of the estimated time of shipment. The Seller shall notify the Buyer in writing of any actual or anticipated or potential causes of delay whenever observed. The Buyer may, for expediting purposes, send its own staff or other personnel whom Buyer has retained to any place where the Goods are manufactured, packed or transported as provided in Clause 16 hereof. The Seller shall bear the cost of corrective measures of improvements reasonably required by the Buyer's expediting staff in order to enable or ensure timely delivery of the Goods. Nothing in this Clause 6 shall in any way relieve the Seller from its obligation of timely delivery of the Goods pursuant to Clause 4 hereof.

7. ERRONEOUS OR EXCESS DELIVERY

Unless otherwise instructed by the Buyer, the Seller shall withdraw, at its cost no later than the date designated by the Buyer, any and all the Goods delivered in error or excess of the Order. In the event of the Seller's failure to accomplish a timely withdrawal of the erroneously delivered or excess Goods, the Buyer may arrange by itself to scrap or return such Goods to the Seller at the Seller's cost.

8. PACKING

The method of packing shall be in accordance with the Order and/or Specifications. In the absence of specific instruction concerning the method of packing in the Order and/or Specifications, the Seller shall, in accordance with antitrust standards, take all steps to prevent damage or deterioration of the Goods in transit to their destination as specified in the Order. The contract price shall include the cost of packing required above.

9. DELAY IN DELIVERY

In the event that the delivery of the Goods is, partially or totally, delayed beyond the delivery time specified in the Order, and such delay is not excusable pursuant Clause 19 hereof, the Buyer shall have the right to:

- (a) Have the Seller send the goods by air at Seller's expense, if the Buyer so demands, and/or
- (b) Recover Penalties from the Seller promptly at the rate of 1% of the value of the relevant Order for each day of delay or at a different rate indicated in the relevant Order.

In the event that the delay in delivery exceeds four (4) weeks, in addition to the above the Buyer shall have the right to cancel the Contract or any part thereof without prejudice to all claims of the Buyer for any loss or damage caused by the Seller's default, and the Seller agrees that:

- (a) The Buyer may return part or all of any shipment so far made and may charge the Seller with any loss or damage sustained directly as a result of such failure in delivery; and
- (b) The Seller shall promptly refund to the Buyer all sums advanced to the Seller by the Buyer with interest at the prevailing prime rate.

10. INSPECTIONS AT SELLER'S WORKS

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Before shipping, the Seller shall carefully inspect and test the Goods for compliance with all applicable requirements of the Contract. The Seller shall, if requested by the Buyer, give the Buyer reasonable notice of such inspection or test and the Buyer (or Buyer's authorized agent) shall be entitled to attend such inspection or test. The Seller shall also submit to the Buyer, at the Buyer's request, all data and other records relating to the inspection or test. The Buyer's attendance at such inspection or test shall not be interpreted as in any way to imply acceptance of such Goods and not relieve the Seller from any liability or responsibility for any defects which may be found during the guarantee period stipulated in the Clause 14).

11. INSPECTIONS AT THE DESTINATION

When the Goods have arrived at the destination, the Buyer or Customer shall inspect the visual and dimensional condition of the Goods within a reasonable time.

If, as a result of the inspection under paragraph 1) above, the Buyer finds the Goods do not comply with the Contract and/or Order and/or Specifications, the Buyer may by notice in writing to the Seller reject such Goods and may require the Seller to repair or replace the rejected Goods with Goods which comply with the Contract. However, such inspection is only of the general, visual and dimensional condition of the Goods at the time of arrival, and therefore, the Buyer's final decision as to whether or not the Goods are acceptable shall be subjected to placement of the goods in service and the Seller shall be responsible for any latent defects not detected by the Buyer during such inspection.

12. CHANGES

The Seller shall not make any change in the Specification, quantities, methods of shipment, schedule or places of delivery without prior written consent of the Buyer. The Buyer may at any time direct, in writing, changes in the Specification, quantities, methods of shipment, schedule or place of delivery of the Goods. In such event, an equitable adjustment in the place of the Contract and in the time of delivery shall be made, provided that either party shall submit to the other party any claim for such adjustment in writing or email followed by written confirmation within twenty-four (24) hours after issuance by the Buyer of such changes.

13. SELLER'S DOCUMENTS

Documents such as packing list, documents for approval, technical Specifications of the Goods etc. shall be supplied by the Seller to the Buyer in accordance with any requirements stated in the Contract.

14. WARRANTIES

The Seller warrants that the Goods shall be conform to the requirements of the Order and the Specification and that the Goods shall be new, merchantable, of the specified materials, free from defects, and fit and safe for the purpose indeed. These warranties shall be in addition to all other warranties, expressed, implied or statutory. Payment for, inspection of, or receipt of the Goods shall not constitute a waiver of any breach of warranty. The Seller warrants that he Goods shall in accordance with Buyer Specifications and in accordance with all requirements of the Contract for a period of eighteen (18) months from the date when the Goods are placed in operation or twenty-four (24) months from the date of delivery, whichever period expires earlier. Notwithstanding the above, it is agreed that warranty for hidden defects shall not be to any statute limitation. Any weakness, deficiency, failure, breakdown or deterioration beyond normal wear and tear for the intend service that appear or is discovered as a result of defective material, faulty design, poor workmanship or poor packing or crating shall be repaired or replaced, at Buyer decision, by the Seller at the Seller expense within the time designed by the Buyer. The Supplier guarantees that the supplier shall meet the performances described in the purchase order. Should the said performances not be met wholly or in part, the supplier shall promptly proceed with any replacement, repair, change, or adjustment necessary to meet the requirements of the purchase order. Parts replacements may involve as much as the supply as new complete equipment conforming to the purchase order. When the Seller at Seller expenses (including mobilization, de-mobilization, and transport and travelling on site activities etc.) cannot repair or replace within the time designates by the Buyer, the Buyer or the Customer may undertake to repair or replace at the Seller's expense. The Buyer may, at its opinion, elect to accept the defective Goods, whereupon an equitable adjustment in the price of the Contract shall be made.

15. THE BUYER REPRESENTATIVE

The Buyer may, with a written notice to the Seller, send its own staff or other personnel whom the Buyer has retained to monitor the Seller's performance of the Contract or to provide the Seller with expediting or quality assurance advice. The Seller shall provide these personnel with a reasonable and free access to the plants of the Seller where the Goods, are manufacture, packed, or transported.

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16. **TERMINATION FOR DEFAULT** The Buyer may terminate the Contract in whole or in part without any liability of the Buyer to the Seller by written notice if the Seller refuses or fails to comply, or so fails to make progress as to endanger compliance, with any provisions of this Contract, including the Seller's warranties. In such an event the material breach committed by the Seller has remained uncured for a period of [20 (twenty)] days from receipt of a notice of default of the Buyer, which notice shall specify the nature of the breach and request that it is cured under penalty of termination, the Contract shall terminate pursuant to article 1454 of the Civil Code, at the end of the said [20-day] term.

Without prejudice to the above, the Buyer will have the right to terminate the Contract with immediate effect, by giving written notice to the other Party pursuant to article 1456 of the Civil Code, if the Seller becomes insolvent or makes a general assignment for the benefit of creditors or if a petition under the bankruptcy act is filed by or against the Seller. If the Seller financial condition is found to be, becomes, or remains unsatisfactory to the Buyer during the term of this Contract, the Buyer may terminate this Contract on ten (10) days written notice and also may terminate all other Orders covering purchases by the Buyer of the Seller's Goods whether or not the Seller may otherwise be in default, and no rights shall accrue to the Seller against the Buyer on account of such termination

The Seller agrees to indemnify and hold the buyer harmless from any loss, penalty or damages resulting from the Seller's refusal or failure to make progress or the Seller's refusal or failure to comply with any provision in the Contract. In the event Buyer terminates the Contract in whole or in part as provided in the Clause, the Buyer may procure, upon such terms and in such manner as the Buyer deems appropriate, Goods similar to those so terminated, and the Seller shall be liable to the Buyer for any excess cost for such similar Goods. The Seller shall continue the performance on this Contract to the extent not terminated under the provision of this Clause. The rights and remedies of the Buyer provided in this Clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

17. CONSEQUENCES OF TERMINATION

. Upon receipt of any notice of termination, the Seller shall, unless notice requires otherwise:

- (a) Immediately discontinue work on the work and to extent specified in the notice;
- (b) Place no further orders for raw materials (if any) other than as may be necessarily required for completion of such portion of the work that is not terminated;
- (c) Promptly make every reasonable effort to obtain cancellation on terms satisfactory to the Buyer; and
- (d) Assist the Buyer, upon request, in maintenance, protection, and disposition of property acquired by the Buyer hereunder.

If claimed in writing within ten (10) days after the notice of termination and provided to the satisfaction of the Buyer, the Buyer will pay to the Seller an equitable adjustment of the price of the Contract which consist of:

- (a) All amounts due and not previously paid to the Seller for the Goods completed in accordance herewith prior to such notice;
- (b) A reasonable amount for any Goods and raw material then in production provided that no such adjustment be made in favor of the Seller with respect to any goods which are the Seller's standard stock; Payment under this Clause constitutes the Buyer's only obligation to the Seller in the event that the Contract shall be terminated as provided in this Clause. The Seller's acceptance of such payment constitutes an acknowledgment that the buyer has discharged that obligation. The provisions of this Clause do not apply to any termination by the Buyer for the default of the Seller or for any other cause allowed by law or under the Contract.

18. RIGHT TO ADEQUATE ASSURANCE

When reasonable grounds for insecurity arise with respect to the Seller's performance, the Buyer may in writing demand adequate assurance of due performance and, until it receives such assurance, may suspend its performance. Acceptance of any improper delivery does not prejudice the Buyer's right to demand adequate assurance for future performance. When, after receipt of such demand, the Seller has failed to provide within a reasonable time not exceeding ten (10) days such assurance of due performance as is adequate under the circumstances of the particular case, the Buyer may cancel the Contract and charge the Seller with any loss or expenses sustained as a result of such cancellation.

19. FORCE MAJEURE

"Force Majeure" means unavoidable causes beyond the control and without fault or negligence of the Seller and/or the Buyer, including but not restricted to, acts of God, war (declared or undeclared), acts of any governmental

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authorities, riot, revolution, civil commotion, fires, or epidemic, but shall not include unforeseen difficulties in manufacture, difficulty in obtaining supplies (unless itself due to Force Majeure), shortage of labor, or non-performance by the Seller's subcontractors or strike. Should Force Majeure prevent the total or partial performance required under the Contract, the party claiming Force Majeure shall promptly advise the other party with convincing evidence, such as official certificate from competent authorities substantiating the occurrence and nature of the alleged contingencies, within seven (7) days after thereof. In the event a condition of Force Majeure is declared and sustained as set forth in previous paragraph 2), the parties shall consult with each other to extend the delivery date of the Goods; however, such delivery date shall not be extended beyond thirty (30) days from the delivery date set forth in the Order. For delays and/or non-performance of the obligations due to Force Majeure, neither part shall be entitled to penalty, interest, damage or any other compensation arising from Force Majeure for such period of Force Majeure. In the event that the delay and/or non-performance of the obligations exceeds thirty (30) days due to Force Majeure, the Buyer, without any obligation to pay any termination charge, shall be entitled to terminate the contract by so notifying the Seller in writing.

20. WAIVER

The failure of the Buyer to enforce any provisions of the Contract shall in no way be constructed as a waiver of such provisions nor in any way affect the right of the Buyer thereafter to enforce any such provisions. No waiver by the Buyer of any default of the Seller hereunder shall constitute a waiver of any subsequent default, whether or not the subsequent default is of a similar or different nature.

21. INDEMNITY

The Seller shall hold harmless the Buyer from and against any and all liability to any third party including, but not limited to, its employees, subcontractors or agents for personal injuries or death and for loss of or damage to any personal property arising under and resulting from any defect in the Goods supplied by the Seller in accordance with the Contract.

22. CONFIDENTIALITY

The specification and any other drawings, designs, technical data and other information (written or not) furnished by the Buyer shall be treated as confidential, shall be used exclusively for the purpose of performing of the Contract, shall not be reproduced in whole or in part for any other purpose and shall be returned to the Buyer upon completion of the Contract or whenever the Buyer so demands. This confidential obligation stipulated herein shall remain in full force and effect even after the Seller's completion of the Order. The requirements of paragraph 1) of this Clause shall not apply to any specifications or other drawing, designs, technical data or other information that the Seller demonstrates, promptly after their receipt from the Buyer and to the Buyer's satisfaction, are in the public domain or are already in the public domain or are already in the lawful possession of the Seller.

23. PATENTS, TRADEMARKS, TRADE NAMES AND COPYRIGHTS

The Seller shall defend, indemnify and hold harmless the Buyer from any and all claims made against the Buyer and/or the Customer, and from any and all loss, damage (including the Buyer's and/or the Customer's attorneys' fees) or liability arising from such claims, by any third party for infringement and alleged infringement of patent, trademark, trade name, copyright or similar right arising in connection with the manufacture and sale of the Goods (or any process related to the Goods).

24. COMPLIANCE

The Seller warrants all the Goods shall be in strict compliance with all applicable laws, regulations, orders or by-laws of any local or national authority having the force of law in the country where the Goods are to be manufactured, exported, applicable export/re-export control laws, guidelines and/or regulations.

25. ARBITRATION

The parties shall exercise their best efforts to resolve by negotiation any and all disputes controversies or differences between the Buyer and the Seller arising out of or relating to the Contract, or the breach thereof. All disputes, controversies or differences between the Buyer and the Seller arising out of or relating to the Contract, or breach thereof, that are not settled by negotiation shall be settled by arbitration in Milan, Italy, in accordance with the Commercial Arbitration Rules of the International Chamber of Commerce. The award rendered by the arbitrator(s) shall be final and binding upon both parties, and judgment upon the award may be entered in any court having jurisdiction thereof.

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26. GOVERNING LAW

Unless otherwise agreed, the Contract shall be governed by and construed in accordance with the laws of Italy.

27. ASSIGNMENT

The Contract or any part of it shall not be assigned or transferred to any third party without prior written approval by the Buyer. Any such approval shall not relieve the Seller of any of its obligations under the Contract.

28. PUBLICITY

The Seller shall not issue any news release nor permit any publicity or advertisement concerning the Contract without the Buyer's prior written approval.

I hereby state to accept all clauses contained in the General Purchase Conditions GPC01 rev 1

Date,.....

By,

Title,

BURDENSOME CLAUSES

As provided for in Articles 1341 and 1342 of the Italian Civil Code, the Seller expressly declares to have examined, understood and accepted the following clauses: art.4 DELIVERY; art. 5 TITLE AND RISK; art. 9 DELAY IN DELIVERY; art. 14 WARRANTIES; art. 16 TERMINATION; art. 17 CONSEQUENCES OF TERMINATION; art. 21 INDEMNITY; art. 25 GOVERNING LAW and art. 26 ARBITRATION

Date,.....

By,

Title,

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