

GENERAL TERMS AND CONDITIONS OF PURCHASE

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Definitions

The following wording - in capital letters - shall have the following meanings:

“Applicable Law”

Means any applicable law, legislation, statute and or regulation in force from time to time and includes any related amendments or extensions and subordinate legislation in force from time to time.

“Confidential Information”

Means any data and/or information related to the Products as well as information regarding technologies, know-how, trade secrets, marketing activities business and product development and the like and, in general, all technical, financial, industrial, commercial information in whatever form which are of proprietary and confidential nature, including the execution and contents of the Order.

“Delivery”

Means the delivery of the Products in accordance with Art. 3 - Delivery.

“Force Majeure”

Means causes proved to be beyond the RWMI's or the Supplier's reasonable control, as an act of God, or of the public enemy, natural disasters, fire, flood, explosions or earthquakes, any act or omission of national governments or legislators, war, insurrection, riots, terrorism, epidemics, quarantine restrictions strikes, freight embargoes.

“Order” or “Purchase Order”

Means the purchase order(s) for the purchase of the Products from the Supplier (and any amendments thereto), which shall be formed by: (i) the Technical Specifications, (ii) the Special Terms and Conditions of Purchase, (iii) the General terms and Conditions of Purchase and any other documents incorporated therein by reference.

All requirements of the Purchase Order may be subject to GQA (Government Quality Assurance). The Supplier shall be informed of any GQA activities to be performed and the relevant regulations (AQAP).

“Products”

Means any kind of product(s), material(s), equipment, spare part(s), component(s), hardware and software, and related documentation (including but not limited to drawings, certificates, manuals and quality documents), purchased by RWMI and specified into the Order.

“RWMI”

Means RWM ITALIA S.P.A.

“Shelf Life”

Means the amount of time during which any Products can be safely and properly used by the RWMI.

“Supplier”

Means the entity, company and/or corporation, which shall supply the Products in accordance with the Order, once accepted.

“Technical Specifications”

Means any technical and/or quality requirement applicable to the supply of the Products and to the performance of the Order.

Art. 1 Terms and Conditions applicable to each purchase of products

- 1.1 These General Terms and Conditions of Purchase shall apply to the purchase of any Products made by RWMI.
- 1.2 Upon acceptance of the Order issued by RWMI, the Supplier shall comply in full with the requirements and the terms and conditions of the Purchase Order. No other terms and conditions, including without limitation any terms and conditions set out in the Supplier's acceptance of the Order or in the Supplier's invoices or any other document shall apply.
- 1.3 Should there be any conflict among the documents forming the Order, the following order of precedence shall apply:
 - (I) Purchase Order;
 - (II) Special Terms and Conditions of Purchase;
 - (III) Technical Specifications;
 - (IV) General Terms and Conditions of Purchase.

Art. 2 Acceptance of order and order effective date

- 2.1 The Supplier shall acknowledge and accept the Order within 10 (ten) business days from the date of receipt of the Order.
- 2.2 The Order shall become effective from the date the Supplier acknowledges the Order by signing the Purchase Order Acceptance Form, which shall be returned to RWMI. If no Purchase Order Acceptance Form is received by RWMI within the above-mentioned terms, the Order shall not be effective.
- 2.3 Any acceptance of the Order made by Supplier conditional to modifications or exceptions to the Order issued by RWMI shall not be binding unless specifically accepted by RWMI in writing.

Art. 3 Delivery

- 3.1 The Supplier shall arrange for the Products to be delivered according to the date, terms (INCOTERMS most recent edition) and place of Delivery set out in the Order.
- 3.2 Compliance with the Delivery date stated in the Order is mandatory. The Supplier shall immediately inform RWMI in writing of any condition which could have an impact on Supplier's ability to comply with the Delivery date. Such notification shall not relieve the Supplier from any liability due to any delay.
- 3.3 The Supplier shall notify RWMI when the Products are ready for delivery. This notice shall be made in writing (by fax or e-mail) at least 15 (fifteen) days in advance the Delivery date. Together with the abovementioned notice the Supplier shall also provide RWMI with all the documents necessary for RWMI to collect and/or receive the Products.
- 3.4 The Supplier shall not deliver the Products without previous written authorization from RWMI.
- 3.5 The Delivery date shall be the date on which the Supplier shall make the Products compliant with the required quantity and quality available to RWMI at the point of delivery as per the delivery term set forth in the Order.
- 3.6 Early and/or partial Delivery is not allowed unless expressly agreed in writing by RWMI.

Art. 4 Title and Risk

- 4.1 Title and risk to the Products shall pass to RWMI upon Delivery, in accordance with the Delivery term set out in the Order.
- 4.2 Notwithstanding the transfer of title of the Products, RWMI shall be entitled to reject any Products in accordance with Art. 7. Upon such rejection, title and risk of the rejected Products shall revert to the Supplier.

Art. 5 Packaging and Documentation

- 5.1 The Supplier shall arrange for the Products to be properly marked and packed in accordance with the Technical Specifications or RWMI's instructions and/or the best international standards to ensure the complete protection and safety of the Products until delivery.
- 5.2 The Supplier shall arrange, at its own care and expense, for the insurance coverage of the Products until Delivery. Delivery shall take place during RWMI's working hours or those of the recipient of the Products. The Delivery of Products shall be accompanied by all documentation and certification specified in the Order or required under the Applicable Law and a Delivery note including full details of: (i) Supplier's corporate name, (ii) RWMI's Order number, (iii) type and quantity of Products with relevant Supplier's code / RWMI's code, (iv) country of origin of Products, (v) place of Delivery/destination. Should the Delivery of Products not be accompanied by the documentation specified hereinabove, the Products may be considered as not delivered.

Art. 6 Late Delivery and Liquidated Damages

- 6.1 If the Supplier fails to deliver any or all the Products by the agreed delivery date, Supplier shall pay to RWMI liquidated damages for late delivery at the following rate: 0,25% (zero twenty five per cent) of the price of the delayed Product(s) (net of VAT or other taxes) per each calendar day of delay up to a maximum aggregate limit of compensation of 10% (ten per cent) of the

total value of the Order (net of VAT or other taxes). Such liquidated damages shall be without prejudice to RWWI's other rights and remedies.

6.2 In case the delay exceeds 60 (sixty) days, RWWI shall have the right to terminate the Order with immediate effect.

Art. 7 Acceptance of Products - Delivery of Products in Excess - Inspection

7.1 Signature by RWWI of the Supplier's or carrier's delivery note shall not be deemed as acceptance of Products and does not relieve Supplier of its obligation to deliver Products fully compliant with the conditions provided for in the Order and free from any defects. Products shall not be deemed accepted by RWWI until the Products and the attached technical documents have been checked against the Order, in terms of both quantity and quality. In case the Products delivered are in excess, RWWI may, without prejudice to any other rights, remedies it may have by law or contract, reject the Products in excess at Supplier's expenses and risk.

7.2 In case of Products to be inspected at the Supplier's facilities, the Supplier shall notify RWWI when the Products are ready for inspection. This notice shall be made in writing (by fax or e-mail) at least 15 (fifteen) days in advance when the Products are ready for inspection. In such a case, the term/date of delivery has to be intended as the term/date when the Products, fully compliant with the conditions provided for in the Order, are ready to be tested.

7.3 RWWI shall inspect the Products at the Supplier's facilities within 30 (thirty) days from the date specified in the notice as per Art. 7.2. In case any of the Products are rejected during the inspection, the Supplier shall promptly replace or repair, at its own care and expenses, the rejected Products in order to provide Products fully compliant with the requirements of the Order. In case of delay with respect to the date/term specified under Art. 7.2 due to the repair/replacement, such delay period shall be subject to liquidated damages as per Art. 6 to be calculated excluding the time necessary to perform the inspection.

7.4 In case of Products to be inspected at RWWI's and/or RWWI customer's facilities, the inspection shall take place within 30 (thirty) days from the date of Delivery of the Products. In case any of the Products is rejected during the inspection, the Supplier shall promptly replace or repair, at its own care and expenses, the rejected Products in order to provide Products fully compliant with the requirements of the Order. In case of delay with respect to the date/term of Delivery due to the repair/replacement, such delay period shall be subject to liquidated damages as per Art. 6 to be calculated excluding the time necessary to perform the inspection.

7.5 An inspection report shall be issued once the inspection is successfully achieved. Signature by RWWI of the report shall (i) not be deemed as acceptance of Products; (ii) not relieve Supplier of its obligation to deliver Products which are compliant with the Order and free from any defects; and (iii) be without prejudice to any other rights and remedies Supplier may have at law or contract.

7.6 Payments are subject to the successful completion of the inspection of Products.

Art. 8 Prices

The prices to be paid to the Supplier for the Products are stated in the Order. The prices shall be fixed and firm, not subject to escalation even in the case of an increase in the prices of the raw materials or in the production costs, for any reasons, including Force Majeure. Prices for the Products are net of any tax and shall include, unless otherwise agreed in writing with RWWI, all costs of packaging, insurance and transportation of the Products to the Delivery place.

Art. 9 Invoicing

9.1 The Supplier shall issue the invoice to RWWI in accordance with the milestone stated in the Order.

9.2 Supplier's invoice(s) shall be sent to the address indicated in the Order and shall include at least the following information:

- Order's number and date;
- description, quantity and unit price of the Products(s);
- code number of Products(s) assigned by Supplier (if any);

- code number of Products(s) assigned by RWWI;
- details of bank account of Supplier to be used for payment.

Invoices not containing the abovementioned information shall be considered incomplete and returned to Supplier.

Art. 10 Payment Terms

10.1 RWWI shall pay the price(s) for the Products to the Supplier according to the payment terms set out in the Order. Payment shall not be deemed to constitute acceptance of the Products or waiver of any rights of RWWI. Payment shall be made in the currency used in the Order, within the term specified in the Order, by wire transfer to the bank account specified in the invoice sent by the Supplier.

10.2 RWWI shall be entitled to set off and deduct from any sum that is payable under the Order any sum that is owed by Supplier as liquidated damages, costs or other charges due by the Supplier.

Art. 11 Warranty

11.1 The Supplier warrants the Products for a period of 24 (twenty four) months from the date on which the Products are put into operation or 36 (thirty six) months from the date of Delivery, whichever occurs first (Warranty Period).

11.2 The Supplier warrants that the Products are: (i) new and not used, (ii) fit for any purpose for which the Products are customarily used, (iii) in full compliance with the requirements of the Order and any Applicable Law (including without limitation all applicable health and safety legislation), and (iv) free from any defect in design, material and workmanship.

11.3 During the Warranty Period, and upon RWWI's request, the Supplier shall promptly replace or repair at his own care and expense any defective Products or any parts of the Products. Within 10 (ten) business days from RWWI's notification, the Supplier shall intervene to remedy the defects. If the Supplier fails to intervene within the time stipulated above or fails to remedy a defect within the time agreed with RWWI, this latter may, at its sole discretion, either remedy the defect or have it remedied by a third party of its choice, at the cost of the Supplier. Any returns of faulty Products/items to the Supplier and any deliveries of new Products or repaired Products shall be made at the costs and risks of the Supplier. In addition, without prejudice to any statutory warranty and/or remedy that may apply, the Supplier shall indemnify and hold RWWI harmless against all direct costs and losses incurred or paid by RWWI as a result of or in connection with the defective Products including but not limited to fault-tracing, inspection, dismantling- and reassembling costs, transportation, labour, travel and hotel expenses.

11.4 In addition to any warranty obligations and remedies at law or contract, if the Supplier has been found responsible for a defect in the Products and when a significant amount of such Products has already been sold to the Customers and it is still in existence, RWWI reserves the right to request the Supplier (at Supplier's expenses) to inspect and, if necessary, test such Products in order to identify any defective Product. The purpose is for Supplier and RWWI to work together to guarantee zero defects in the stock of such Products.

Art. 12 Minimum Shelf Life Warranty

For the Products with limited Shelf Life (including but not limited to chemical products, batteries, explosives, detonators) and in case the expiry date of such Products is not specified under the Order, Supplier shall warrant that such Products have a remaining validity not less than the 80% (eighty per cent) of their own Shelf Life. Supplier shall defend, indemnify and hold RWWI harmless from and against any claim, loss, liability, damage claimed against RWWI, if directly created or caused (by act, omission or negligence) by Supplier due to a failure of this warranty obligation.

Art. 13 Supplier's Liability and Obligation

13.1 The Supplier shall be liable for any damages caused to persons and/or things during the execution of the supply and/or arising from the Products.

13.2 The Supplier undertakes to adopt all necessary precautions to prevent the occurrence of damages to persons or things and shall indemnify and hold harmless RWWI against all claims, losses, damages and liabilities incurred

by or awarded against RWMl relating to bodily injury, property damage and any other damages caused by the Products.

- 13.3 The Supplier agrees to promptly inform the Buyer in case of suspicion or discovery that its material or components are counterfeit, in case of suspicion or discovery of delivery of material containing malware.

Art. 14 Intellectual Property Rights

- 14.1 The Supplier warrants that the Products do not infringe any intellectual property rights, including but not limited to patents, patent applications, trademarks, copy right, know-how, design, trade secrets and drawings, of any third party.
- 14.2 The Supplier shall indemnify and hold RWMl, as well as RWMl's customers, harmless from any claim or liability arising out of an infringement or alleged infringement, directly or indirectly, of any intellectual property right of any third party by reason of the sale or use of the Products.

Art. 15 Equipment, Materials and Software Supplied by RWMl

- 15.1 Any material, equipment, machinery and special tools delivered by RWMl to Supplier for the execution of the Order remain the property of RWMl. All drawings, specifications, technical documents disclosed to the Supplier by RWMl for the execution of the Order, or which may arise from fulfilment of the Order shall be the sole property of RWMl.
- 15.2 The Supplier shall not use the abovementioned material, equipment or documentation made available by RWMl to the Supplier for any purpose other than the performance of the Order.
- 15.3 The Supplier shall be solely responsible for the safe-keeping of the abovementioned material, equipment and documentation and the associated risks and shall return them to RWMl immediately in case of Order termination, for any cause, or upon RWMl's request.
- 15.4 In case Supplier should use the abovementioned goods for purpose not related to the performance of the Order, the Supplier shall pay to RWMl as liquidated damages the amount of € 250.000,00 (two hundred and fifty thousand/00 Euro) for each violation. Such liquidated damages shall be without prejudice to RWMl's other rights and remedies at law or contract.
- 15.5 In case of delay in returning the abovementioned material, equipment and documentation, as per provision under Art. 15.3 hereinabove, the Supplier shall pay to RWMl as liquidated damages the amount of € 200,00 (two hundred/00 Euro) for each complete week of delay. Such liquidated damages shall be without prejudice to RWMl's other rights and remedies at law or contract.

Art. 16 Confidentiality

- 16.1 The Supplier shall hold in strict confidence any and all Confidential Information, disclosed by the RWMl and shall not disclose to third parties any Confidential Information thus received and use it for the sole purpose of performing the Order. To this purpose, the Supplier shall take any reasonable steps to prevent an unauthorized disclosure or use of such Confidential Information by employees, subagents or other intermediaries.
- 16.2 The confidentiality obligations set forth hereinabove shall not apply to Confidential Information (i) which is or becomes generally available to the public other than as a result of disclosure by the receiving party or (ii) was lawfully disclosed to the receiving party by third parties before disclosure under the Order. Additionally, the receiving party may disclose the Confidential Information if it has been ordered to do so by a competent court or authority, except that this party shall immediately inform the disclosing party of such order and shall, if required, resist such disclosure or make a request to the competent court or authority to protect the confidentiality of the Confidential Information.

Art. 17 Quality Requirements

- 17.1 The Supplier shall take such precautions and implement such procedures as to assure that quality standards required by the RWMl and/or specified in the Technical Specifications and/or required under the Applicable Law are met to ensure that the Products manufactured are not defective.

- 17.2 Notwithstanding the above, Supplier undertakes to give RWMl's representatives, or any other personnel appointed by RWMl, free access to its offices, facilities, warehouses and/or those of any subcontractors in order to allow checks, inspections and audits of the Products. The checks, inspections and audits carried out by RWMl shall in no case relieve the Supplier from his liabilities and obligations as per the Order. The checks, inspections and audits will be carried out by RWMl according to the current version of AQAP Publication 2110 "NATO Quality Assurance Requirements for Design, Development and Production".

Art. 18 Force Majeure

- 18.1 Neither RWMl nor the Supplier shall be deemed to be in breach of the Order or liable to the other for delay in performing its obligations, or failure to perform any such obligations, under the Order, if the delay or failure results from Force Majeure.
- 18.2 Provided that the Supplier has provided notice to RWMl of the Force Majeure event within a reasonable period of time, not to exceed 5 (five) business days, following such event then RWMl shall allow the Supplier such extension of time for Delivery of the delayed Products as shall be reasonable, provided always that the Supplier shall not be entitled to any extension of time unless it shall at all times have used all reasonable endeavours to prevent any such delay and to minimise any such delay and to do all that may be reasonably required to proceed with the work. However, if such delay exceeds 60 (sixty) days the RWMl shall have the right to terminate the Order without incurring liability except in respect of Products already delivered to the RWMl prior to the event.

Art. 19 Suspension of Contract

- 19.1 Subject to prior written notice to Supplier, RWMl is entitled to temporarily suspend the Order for the amount of time necessary depending on the reasons for the suspension.
- 19.2 In the event of suspension, Supplier must interrupt execution, taking such measures, however, as are suitable for preserving the works or activities already completed, and for the storage or safekeeping of the Products still to be delivered.
- 19.3 At the end of the events and/or reasons causing the suspension, RWMl shall notify Supplier in writing. Supplier shall promptly resume execution of the activities and/or Delivery of the Products.
- 19.4 In case of suspension, the Delivery times and/or execution of the activities, set forth in the Order, will be extended for a period equal to the period of suspension and the Supplier shall not be entitled to any indemnification due to the suspension.

Art. 20 Assignment

The Supplier may not assign all or any part of the Order's performance and/or credits arising from, without the prior written approval of RWMl. If the Supplier employs sub-contractors, the Supplier shall be wholly liable for full and complete fulfilment of the Order on behalf of such sub-contractors.

Art. 21 Termination for Default

- 21.1 In the event of a failure by the Supplier to perform any of its obligations under the Order, RWMl may terminate immediately the Order by way of a registered letter with acknowledgment of receipt, provided that the breach has remained uncured for 60 (sixty) days as from formal notice to the Supplier of such breach, without prejudice to any other rights, remedies the RWMl may have at law or contract.
- 21.2 To the maximum extent permitted by applicable law, RWMl shall have the right to terminate the Order with immediate effect if the Supplier should enter into liquidation, either voluntary or compulsory, or become insolvent, or enter into composition or corporate reorganization proceedings or if execution be levied on any goods and effects of Supplier or Supplier should enter into receivership or bankruptcy.

Art. 22 Termination for Convenience

In the event that RWMl no longer requires the Products to be furnished under the Order, the RWMl may terminate all or part of the Order prior to its completion. After

a mutual review and assessment of unpaid works and/or Products, the RWM shall pay as termination charges the cost for all work performed and Products accepted and all costs incurred by Supplier directly connected with the Order's performance prior to such termination.

Art. 23 Applicable Law and Settlement of Disputes

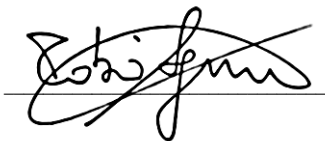
- 23.1 These General Terms and Conditions of Purchase and the Order shall be governed by Swiss law.
- 23.2 All disputes, controversies or claims arising out of or in connection with these General Terms and Conditions of Purchase and/or the Order shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules unless the parties agree on the choice of one arbitrator. The arbitration shall take place in Geneva (Switzerland), the language to be used in the arbitral proceedings shall be English.

Place and date: _____

RWM Italia SpA

CEO

Ing. Fabio Sgarzi

**Art. 24 Miscellaneous**

No alteration or amendment to the Order shall be valid unless such alteration or amendment is made in writing and signed by both Parties. In no event shall any delay, failure or omission of a party in enforcing or exercising any right, claim or remedy under the Order be deemed as a waiver thereof, unless such right, claim or remedy has been expressly waived in writing.

If any provision of the Order is held to be invalid or unenforceable, in whole or in part, the validity of the other provisions of the Order and the remainder of the provision in question shall not be affected thereby.

All communications relating to the Order between RWM and the Supplier shall be in the English language and shall be served to registered office RWM and/or the Supplier.

The Supplier

Corporate Name:

Name of signatory/legal representative and company position:

Signature and stamp:
