

GENERAL PURCHASING CONDITIONS

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THE PURPOSE OF PURCHASING CONDITIONS IS TO DEFINE THE TERMS AND CONDITIONS FOR PLACING AND PERFORMING PCM PURCHASE ORDERS (PRODUCTS AND/OR SERVICES) WHERE HEADQUARTER IS LOCATED IN ITALY.

ARTICLE 1. DEFINITIONS

In this Agreement, the following terms, used in upper case and interchangeably in the singular or plural, will have the following respective meanings:

GPC: refers to this document named General Purchasing Conditions.

PCM: Refers to the PCM entities as defined in page one, taken individually and/or collectively.

Subsidiary: Refers to all independent legal entities in which the PCM company and/or its shareholders own a direct or indirect stake.

Supplier: Natural or artificial person to which the Order is addressed

Buyer: Refers to the PCM entity issuing the Order

End customer: refers to any Customer of the Buyer purchasing a product or service incorporating the supply.

Products: refer to products and/or items falling in the scope of application of this Agreement and for which PCM shall place Orders from the Supplier.

Specific Products: refer to the products and/or items created and developed directly or indirectly by PCM or by the Supplier for PCM only.

Standard products: refer to products and/or items not created and developed by PCM or by the Supplier for PCM only.

Order: refers to any purchase order placed by PCM in application of this Agreement, based on the template featured in the Appendix.

Acknowledgement of Receipt of Order: Refers to the acknowledgement of receipt of order (ARC) issued by the Supplier.

Appendices: refer to the documents appended to the Agreement

ARTICLE 2. CONTRACTUAL DOCUMENTS

The Orders issued by the Buyer with the Supplier shall be governed by the provisions of these General Purchasing Conditions of Purchase once they have been accepted by the Supplier, i.e. as they are, completed or amended by a rider signed by the Parties.

The Supplies must be delivered in compliance with the Specifications mentioned either in the Order or in the rider signed by the Parties.

Any other provision may only apply to the Orders if they have been previously accepted in writing by each of the Parties.

If an Order has been issued within the framework of a contract agreed between the Parties, the stipulations of the said Contract shall prevail. The GPC are only intended to apply as a supplement in the absence of specific stipulations set out in the said contract.

ARTICLE 3. PURPOSE AND SCOPE OF APPLICATION OF THE AGREEMENT

The Supplier undertakes to deliver the products or services to PCM in compliance with the terms defined in the Order.

This agreement governs relations between the Supplier and PCM in the exclusive framework of its implementation. Under no circumstances may it apply, directly or indirectly, totally or partly, exceptionally or habitually, to other industrial, commercial or financial operations between PCM and the Supplier, including during the execution period of this Agreement.

Unless a provision is laid down in the Appendix, it is expressly understood by the Parties that this Agreement does not result in an exclusivity, either for the Supplier or PCM.

ARTICLE 4. IMPLEMENTATION OF THE AGREEMENT

4.1. Order Management

This Agreement is implemented by an Order, sent by PCM to the Supplier.

Unless otherwise expressed, the Supplier shall have a period of two (2) business days starting from the receipt of the Order to send an Acknowledgement of Receipt of Order by email, according to the template featured in the Appendix.

Unless reservations are expressed in the Acknowledgement of Receipt of Order, the Order shall be deemed to be accepted as it stands by the Supplier.

Any renegotiation of prices shall not affect previously issued Orders and lead times stated in this in the terms of the Agreement.

Provisional supply needs in PCM products, which may be communicated to the Supplier, have no contractual value.

For first orders, the Supplier is required to supply, where appropriate, initial samples from serial production, complying with contractual requirements relating to raw materials and quality controls.

4.2. Management of order changes

Any modification or adjustment of the Order on previously validated terms and conditions requires a rider, whose terms will be negotiated by mutual agreement between the Parties. It may be managed in the form of a dispensation (see article 9.6).

PCM may issue a request for modification (e.g. quantity/date requested) and the Supplier shall have a lead time of two (2) business days from the date of the receipt of the requested modification of Order to address an Acknowledgement of Receipt of Order

- In case of refusal, the Supplier shall communicate it officially to PCM;
- In the case of acceptance, the Parties shall formalise the new conditions.

ARTICLE 5. SUPPLIER'S OBLIGATIONS

Under this Agreement the Supplier undertakes to:

- execute this Agreement in accordance with the law, regulations and practices, and with the Order;
- declare that it has all the professional capabilities and authorisations within the framework of this Agreement to execute the Order;
- implement all the human and material resources needed to fulfil its obligations as described in this Agreement and in the Order;
- to fulfil its obligation of result, comply with the prices laid down in the Special Terms and Conditions and/or the Order and delivery times laid down in this Agreement and/or in the Order.
- inform PCM of any risk linked to economic sanctions, export control or any other restrictive national or international regulations,
- inform PCM of any specific customs status communicated by local customs authorities.

In addition, in its professional capacity, the Supplier is bound by:

- an obligation to inform and advise whereby it undertakes to immediately inform PCM of any difficulties that may occur during the execution of this Agreement and/or the Order;
- an obligation to ask PCM for information and ask questions deemed necessary to execute this Agreement and/or the Order, in particular regarding any clarification needed prior to launching production of the Products;
- a duty to warn against technical choices or solutions that it may consider inappropriate or irreconcilable with the performance imperatives or needs of PCM;
- compliance, if the products are delivered in the European Union, with all the obligations laid down by EC Regulation 1907/2006 of 18 December 2006 concerning the registration, assessment and authorisation of chemical substances, as well as restrictions applicable to these substances (REACH). The supplier must be up to date with the constant changes of said regulations and anticipate any restrictions; similarly, it should ensure that its subcontractors will take, where appropriate, any measures taken to comply with the said Regulation;
- Obtain ISO 9001, ISO 14001, OHAS 18001 certifications during the execution of this Agreement. If the Supplier is not capable of obtaining these certifications, it undertakes to do its best to improve its internal operating mode to approach these standards as closely as possible.

If all or part of the provision needs to be implemented in the premises of PCM, the Supplier undertakes to abide by the following rules:

- communicate in advance to PCM the identity of its staff reporting to the PCM premises;
- guarantee that its staff complies with safety rules applicable in PCM premises (in particular wearing a visitor's badge);
- comply with health and safety at work regulations, as well as all instructions defined by PCM in this field and applicable in its premises. As such, the Supplier declares that it is aware of PCM's prevention plan and special regulations and undertakes to ensure that its staff complies with it;

Should the Parties agree to entrust the Supplier with maintenance, the Supplier undertakes to:

- obtain approval from the Official Authorities;

- offer maintenance services as long as the equipment integrating the Supply remains in service and, consequently, maintain its complete production facilities, in such a way as to be able to supply Products and necessary spare parts, according to the special conditions negotiated with the Buyer. In this hypothesis, the Supplier must make available to the Buyer a complete bill of materials of prices of the different parts and sub-assemblies of Products covered by the Orders;
- provide all the necessary technical assistance to the Buyer or End Customer during general servicing or repair of Products.

ARTICLE 6. PCM'S OBLIGATIONS

PCM undertakes to provide the Supplier with all the information and documents needed to execute this Agreement and/or Order.

PCM undertakes to honour payment of any invoices for the supply of Products as per the terms and conditions defined in Article 7.2, subject to compliant execution of this Agreement and/or the Order by the Supplier.

ARTICLE 7. FINANCIAL TERMS

7.1. Prices

In consideration of perfect execution of this Agreement and/or the Order, PCM shall pay the Supplier the price stipulated in the Order.

Unless otherwise agreed in a document signed by both Parties, the price stipulated in the Order is flat, firm and definitive. In the case of large orders or specific invitations to tender, Special Terms and Conditions may be renegotiated on a case-by-case basis, in the mutual interest of the Parties.

7.2. Invoicing and Payment

Products/Services shall be invoiced by the Supplier after delivery of the products and/or performance of services.

Invoices issued by the Supplier for the Order shall be paid by PCM in compliance with the provisions set out in the Order.

Invoices must comply with the following:

- name of the entity of the PCM Group issuing the Order
- PCM Group's order number
- delivery slip number
- VAT number
- customs code for Products for intra-community deliveries
- complete bank details of the Supplier (name and number of the bank account, Iban, Swift, bank's address)
- payment by bank transfer in a currency defined by the parties and in agreement with the relevant national and international regulations relating to economic sanctions;
- due date compliant with the payment deadline stipulated in this Agreement and/or in the Order.

The original copy of the invoice must be sent as soon as it is issued to the address specified in the Order. Original delivery slips or reception reports or any other contractually agreed document generating invoices are sent to the Buyer and are not attached to the invoice.

Any credits must mention the invoice numbers and Order to which they refer to allow accurate reconciliation of accounts.

7.3. Bank guarantee

Should PCM pay an instalment or advance payment before the delivery of the Products, it is expressly agreed that the Supplier, prior to payment of the instalment or advance, shall produce a bank guarantee allowing the refund of the instalment or advance, at first request. This bank guarantee must cover all sums to be paid by PCM as an instalment or advance. This independent and autonomous bank guarantee must be issued by a reputable bank and related costs shall be covered by the Supplier.

7.4. Late payment

In the event of late payment, simple interests shall be applied at the published local rate the day following the due date of the invoice and end on the effective settlement date.

Payment by PCM of such penalties shall discharge it and is the only compensation to which the Supplier is entitled to claim in terms of late payment.

7.5. Claim on invoice

In the event of a legitimate claim by PCM regarding one or several items of an invoice, the obligation to pay the disputed sum is suspended and the application of Article 7.4 shall be excluded. PCM shall send the Supplier a letter (by mail, fax or email) justifying its position. The Supplier shall then issue a credit cancelling the disputed invoice and a new invoice for the undisputed items of the invoice shall be issued.

Should the Supplier not respond to the aforementioned letter sent by PCM within fifteen (15) calendar days starting from the receipt of this letter, the claim made by PCM shall be deemed to be accepted by the Supplier and the claimed amount shall be automatically deducted from the invoice due to PCM. The Supplier shall then issue the corresponding credit.

ARTICLE 8. PRODUCT/SERVICE DELIVERY TIMES

8.1. Delivery times

Products shall be delivered in compliance with the terms and conditions stated in the Order.

Product delivery times are considered as a decisive factor of this Agreement and the Order, without which PCM would not have contracted with the Supplier.

8.2. Late delivery

The Supplier undertakes to inform PCM immediately by phone and in writing of any particular difficulties, namely in terms of times or quantity, encountered in the delivery of the Products, specifying the nature of such difficulties as well as the time at which it would be able to fulfil its obligations.

Any additional expenditure resulting from this delay, excluding cases of *force majeure*, shall be the Supplier's responsibility.

If PCM accepts the new delivery time proposed by the Supplier, a written correspondence shall formalise the agreement of the Parties on this point.

Regardless of the applicable incoterm defined in the Order, rapid shipping (by air in particular) may be demanded, at the Supplier's expense.

In the absence of an agreement by the Parties, the Supplier shall be held liable and PCM may, at its convenience, rightfully terminate this agreement and/or Order due to the non-performance by the Supplier of its obligations in terms of form and delivery times as set out in article 22 of this Agreement.

8.3. Late penalties

The Supplier declares that it is fully aware of the detrimental consequences for PCM of any delay in the delivery of the Products.

In any case, except in cases of *force majeure* or duly proven events attributable to PCM, where the Products would not be delivered in compliance with the contractual times, PCM may apply late delivery penalties calculated as follows:

Five percent (5%) of the price (excluding taxes) of the Order per late week, starting from the agreed delivery date(s), capped at twenty percent (20%) of the price (excluding taxes) of the Order, it being specified that any late week started incurs the payment of the aforementioned penalty.

Penalties are an obligation and have no discharging character.

The application of penalties is independent of the termination of this Agreement and/or Order, and/or claim for damages to repair the prejudice suffered that may be incurred by the late delivery of the Products by the Supplier.

As the termination is only declared after notice has been given, penalties are applied until the expiry of the last performance deadline fixed by this notice.

Any penalty applicable under this article shall be deducted from the sums owed by PCM as set out in this Agreement and/or Order.

ARTICLE 9. DELIVERY AND RECEPTION OF PRODUCTS / SERVICES

9.1. Country of origin of products & Dual-Use Goods

9.1.1. Country of Origin of the Products

The supplier undertakes to disclose any information related to the origin of the product:

- If the country of origin doesn't change: the supplier communication is formalized (only once)
- If the country of origin may change: supplier communication is systematically carried out during quotations or purchase order phases - including internal site transfer (Article 13) or subcontracting (Article 17)

In addition, the Supplier undertakes to communicate, upon request from PCM, control reports and any serial numbers.

In addition, in the case of a risk of breach of an embargo or economic sanctions, notwithstanding the preferential origin of the said finished product, the Supplier must inform PCM not only of the country of origin of the finished product, but also the country of origin of all components or any technology incorporated into the finished product.

If PCM is unable to deliver or distribute products delivered by the Supplier from countries subject to international sanctions and/or embargoes the supplier shall actively cooperate with PCM in order to find appropriate alternative solutions within a reasonable time line (e.g. proposal of an alternative product, sending of specifications to PCM, etc.).

9.1.2. Dual-use goods

The supplier shall inform PCM if the product(s) ordered are governed by European regulations on Dual-Use Goods (DUGs) and, if requested by PCM, shall provide a copy of the licence obtained from the competent authorities and/or the US ECCN number (Export control classification number).

9.2. Product packaging

The Supplier undertakes to follow packaging rules stipulated in the Order.

In general, the Supplier undertakes to:

- separate Products with different references from each other;
- use packaging that guarantees respect for requirements mentioned in the specifications and plans as well as non-deterioration of Products during transportation and handling through to the end customer.

In the absence of specific provisions stipulated in the relevant Order, the packaging conditions are defined in the first Order placed by PCM with the Supplier.

A label, affixed to each parcel and/or pallet, must be clearly visible to allow easy reception and storage by PCM and indicate at least:

- the Order number
- the product reference / designation / index as indicated on the Order
- the quantity per parcel and/or pallet
- the shipping or expiration date

For perishable Products or Products subject to a validity date, the Supplier must ensure and guarantee that such products are usable for a minimum duration of six (6) months starting from their reception date. The expiry date or validity limit date must be perfectly legible on the aforementioned label.

In the event of pallet deliveries and unless otherwise stipulated in the Order, pallets shall:

- be exclusively sized in 80x120 cm (Europe format);
- not be altered in any way (namely no broken planks or supports);
- offer sufficient and appropriate resistance to the weight of the Products for safe storage;
- be perfectly strapped to endure the transportation of Products and handling operations required.

If the packaging does not comply with the initial requirements formalised by PCM or is damaged, PCM reserves the right to deduct the cost of repackaging from the Supplier.

Any failure to comply with the rules laid down by this article may lead to the issuance by PCM of a Non-Compliance Report and, where appropriate, a refusal of the delivery of Products by PCM, which must be presented again for reception at the Supplier's expense (see article 9.6).

9.3. Delivery slip

Each delivery must be accompanied by a delivery slip, accessible before unloading of the Products, mentioning the following at least:

- name of the entity of the PCM Group issuing the Order
- order number

- reference and designation of the Products as indicated on the Order
- quantity delivered
- number of parcels and their respective weight
- serial and/or Product batch number, where appropriate
- country of Origin of the Products, where appropriate.

It is expressly stated that a delivery not accompanied by such a delivery slip or an incomplete or incorrect delivery slip is liable to result in the issuance by PCM of a non-compliance report and, where appropriate, a refusal of the Product delivery by PCM. The products in such a case must be presented again for reception at the Supplier's expense.

9.4. Documentation relating to imports

The Production transportation conditions, coverage of the corresponding cost and the transport insurance cost and the responsibility of the Parties during transportation of the Products are defined in compliance with the Incoterm specified in the Order.

It is agreed that applicable Incoterms are CCI Incoterms in their 2010 version.

In general, the Supplier for each Product delivery, undertakes to transmit the transport insurance policy, should transportation be covered by the Supplier, as well as the following documents in the event of documents produced in non-EU countries:

- certificate of origin attesting to the origin of the Products,
- packing list mentioning the box or parcel number, code and item description of the Products, quantity, weight, dimensions, signature and stamp,
- a certificate of conformity with European regulations, and EC norms in particular,

Additional documents may be required by PCM, depending on applicable legislation or the Products' country of origin.

Any breach in the rules set out by this article may lead to the issuance by PCM of a non-compliance report.

9.5. Receipt of product

The Supplier shall deliver the Products to the location agreed in the Order and during the time slot agreed with PCM, a fixed time slot (same day / same hour) may be agreed between the Parties.

In the case of non-compliance with opening times, the Products may not be received by PCM and must be presented again for reception at the Supplier's expense.

In the event of late delivery or an excess quantity compared to the Order, the Buyer reserves the right either (i) to accept the Supply or (ii) keep the Supply available for the Supplier at its risk and peril or (iii) return it at its expense, risk and peril.

9.1. Non-compliance management

In the case, in particular, of:

- a delivery presenting a safety risk;
- a delivery of Products not corresponding to the specifications and/or plans referred to in the Order;
- a delivery of products in poor condition;
- logistical non-conformities covered in Articles 9.1, 9.2 and 9.3;
- early or late delivery of Products with respect to the delivery date agreed in the Order referred to in Article 9.5;
- a different quantity of Products delivered (less or more than the quantity featured in the Order);

PCM may issue a non-compliance report and, where appropriate, refuse all or some of the Products delivered, which may be presented again for reception at the Supplier's expense until acceptance by PCM.

In the event of reception of a non-compliance report, the Supplier undertakes to:

- define and submit, in writing, a remedial action plan within forty-eight (48) hours starting from reception of the non-compliance report as well as an analysis of the cause and of its non-detection;
- monitor remedial and/or corrective actions mentioned in the action plan;
- supply, with the five (5) deliveries following the non-compliant Products, a control report of the criteria defined in the non-compliance report.

Under certain conditions, PCM may accept non-compliant Products, for a determined period of time, by written agreement between the parties.

In such a case, the Supplier shall ask the PCM Quality Department for a dispensation allowing it and the dispensation shall be mentioned on the delivery slip and on the parcel or pallet of the Products affected by the said dispensation.

Any occasional dispensation of non-compliant Products shall not prejudice future acceptance of Products with the same non-compliant features. Any dispensation is liable to lead to invoicing according to the Supplier's responsibility.

If the product is detected to be non-compliant by PCM, the Supplier shall be informed of its availability for collection. The Supplier must then collect it at its own expense, within a deadline of 2 weeks. After this deadline, the non-compliant product shall be scrapped. Rejected non-compliant products/services shall be considered to be non-delivered. During the replacement delivery, the supplier shall mention the PCM non-compliance report number on the delivery slip (e.g. NCR-2017-1234).

A financial contribution (covering additional costs, sorting and repair, express transport, etc.) may be asked of the Supplier. This shall be calculated in proportion to its responsibility after discussion between the Parties (with a minimal administrative charge of €50). Non-compliant products/services rejected by PCM may also give rise to the application of penalties as laid down in Article 8.3, after discussion between the Parties.

ARTICLE 10. TRANSFER OF OWNERSHIP AND RISKS

The ownership of Products and Services will be transferred unconditionally to PCM starting from the date of PCM's signature featured on the delivery slip presented by the Supplier.

Risks related to the Products shall however lie with the Supplier until unreserved acceptance of the Products by PCM.

ARTICLE 11. SUPPLIER'S DECLARATIONS

11.1. Financial declarations

The Supplier certifies to be in a healthy legal and financial situation, in such a way that PCM has no reason to fear its failure for the duration of this Agreement.

The Supplier, for the duration of this Agreement, undertakes to develop and diversify its customer base in such a way as not to be economically dependent on PCM. The Supplier undertakes to inform PCM as soon as the turnover made under this Agreement is equal to or greater than twenty-five percent (25%) of its total turnover. This obligation on the Supplier to provide information is an essential condition of this Agreement.

11.2. Ethical declarations

In particular for production outside Italy, the Supplier certifies that:

- it satisfies all the legal and regulatory obligations in force and applicable to it in the Products' country of manufacture;
- it does not knowingly infringe local regulations linked to the environment, except for a formalised action plan validated by the competent authorities;
- the Products are not the total or partial result of child labour;
- the Supplier's employees making the Products are of the legal minimum age to work in the country manufacturing the Products, it being specified that if the legal minimum age is less than fifteen (15) years, or in the absence of a legal minimum, employees must be aged sixteen (16) or more;
- it does not use illegal or forced labour in any form whatsoever;
- the employees do not suffer physical abuse, the threat of physical abuse, insults or any form of intimidation and are not forced to leave a money deposit or their identify papers with their employer;
- that the Product production plant is secured and offers acceptable sanitary conditions, as does any professional accommodation if provided (the latter must be separated from the production zone and/or logistic zones);
- it respects its obligations in the fight against corruption, both in its name and that of its subcontractors.

ARTICLE 12. COMPLIANCE WITH LABOR LAW

The Provider guarantees that it complies with the Labor Law governing its activity. It also guarantees that the Supply shall be produced in compliance with applicable labor law in the country in which the Supply is manufactured.

If the Supply is made in Italy:

- the Supplier undertakes to comply with Italian labor legislation

The Supplier shall be responsible for managing and paying all the staff it uses to execute this Agreement and Orders.

ARTICLE 13. INTUITU PERSONAE AND SUBSTITUTION

This Agreement is governed according to the principle of *intuitu personae* regarding the Supplier, which has been selected for its capability and experience, and in consideration of its person (shareholders and directors).

Accordingly, the Supplier may not assign, subcontract or transfer all or part of its rights and obligations arising out of this Agreement, without prior and written approval from PCM including in the case of a merger, division or partial contribution of assets.

In the event of the transfer, even partial of the company or goodwill of the Supplier, PCM shall be justified in obtaining the termination of this Agreement, without compensation or a need to give notice, by registered letter with acknowledgement of receipt.

In the case of the Supplier taking a direct or indirect stake in rival companies and/or customers of the PCM Group, the latter shall be justified in obtaining immediate termination of this Agreement, without a need to give notice or pay compensation, by registered letter with acknowledgement of receipt.

In the case of the occurrence of any of these events, the Supplier undertakes to inform PCM within seven (7) days by registered letter with acknowledgement of receipt. It should then keep PCM informed of any changes in its situation in such a way that PCM is capable of weighing up any risks it may incur by continuing to work with the Supplier.

ARTICLE 14. CONFIDENTIALITY

The Supplier acknowledges that the nature of the information entrusted to it by PCM for the execution of this Agreement and of the Order affects the strategic interests of PCM. The Supplier also recognises that the safeguarding of its interests is the very essence of its partnership with PCM.

This safeguarding necessarily means upholding the confidentiality of information communicated to it by PCM for the execution of this Agreement and of the Order.

The Supplier shall refrain from disclosing to third parties any information relating to PCM or its activities that would not be public knowledge that it learns or receives through its relationship with PCM and the execution of this Agreement and Orders.

Similarly, the Supplier agrees to maintain the strictest confidentiality on the existence and the provisions of this Agreement and of the Orders.

Consequently, for the duration of this Agreement and of the Orders and for the five (5) years following their termination, unless compelled for legal or administrative purposes, it shall refrain from revealing to anyone or communicating to anyone unless it has prior written authorisation from PCM.

This communicated information shall remain the exclusive property of PCM.

At the expiry of this Agreement or of each Order, for whatever reason, the Supplier shall return to PCM all documents in its possession relating to this Agreement and to the Orders upon immediate request from PCM.

The Supplier shall thus be held responsible for any undue disclosure of Confidential Information to a third party by its employees, suppliers, providers or subcontractors. Moreover, the Supplier shall immediately take corrective action against any supplier employee who breaches the confidentiality obligations stated herein.

ARTICLE 15. INTELLECTUAL PROPERTY AND NON-COMPETITION

15.1. Specific products

PCM remains the sole owner of all intellectual and industrial property rights attached to the Specific Products it has created and/or developed and to the products on which it owns intellectual and industrial property rights, the production of all or part of which it entrusts to the Supplier.

PCM shall also and automatically acquire, as and when this Agreement and Orders are executed, all intellectual and industrial property rights attached to the Specific Products created and developed directly or indirectly by the Supplier for PCM only and, as such, exclusively, without the payment of additional remuneration to that provided for in Article 8. This transfer is agreed by the Supplier on all inventions, patents, designs and models, know-how, brands, whether filed or in the process of filing, all copyright such as reproduction, representation and adaptation rights, for the whole legal term of copyright, if applicable, for the whole world; on all media (paper, IT file, digital, magnetic, etc. and in particular in the form of source and binary codes and related documentation if it is software) by all known or future means. The Supplier undertakes to obtain prior transfer of rights from its employees needed to ensure compliance with the commitments made within the framework of this Agreement and supply all documents needed to confirm that transfer before any organisation or third parties.

The Supplier guarantees undisturbed enjoyment of intellectual and industrial property rights pursuant to Article 15.1 hereto and declares that these rights do not affect those of third parties. The Supplier shall guarantee and compensate PCM in the event of legal action by any third party in connection with intellectual property rights pursuant to Article 15.1 hereto, including reasonable legal costs.

In cases where execution of this Agreement or of the Order would incur the possible filing of a patent, PCM shall be the only one qualified to perform such a filing, at its initiative and at its own expense.

The Supplier undertakes not to make and/or market or have made and/or marketed on its behalf or that of a third party any Specific Products unless it has obtained express prior and written approval from PCM.

15.2. Standard products

The Supplier remains the sole owner of all intellectual and property rights attached to Standard Products.

The Supplier formally guarantees PCM against any disorder, complaint, eviction or claim regarding intellectual property rights attached to Standard Products. In this hypothesis, the Supplier shall cover all legal costs and all damages to which PCM could be sentenced in court or any other compensation that it could be led to pay, particularly within the framework of a transaction or mediation related to contentious Standard Products.

In the event of action taken by a third party regarding intellectual property rights attached to Standard Products, the Supplier shall undertake to obtain for PCM the right to continue to use the Standard Products without generating any kind of additional costs for PCM.

If the third party wins the case, the Supplier shall, at its own expense and within the shortest possible time, without prejudice to reparation of the damage suffered by PCM due to this, either:

- obtain the right for PCM to continue to use Standard Products;
- modify Standard Products by replacing the infringed element by an equivalent non-infringed element;
- completely replace the infringed Standard Products.

This guarantee shall remain in force for a period equal to the duration of the protection of intellectual and industrial property rights, namely copyright.

In such a case, PCM may nevertheless terminate this Agreement, without prejudice to any damages that it could claim from the Supplier due to the loss suffered.

ARTICLE 16. INTERLOCUTORS

The Supplier shall designate a permanent manager in charge of overseeing the smooth running of this Agreement.

This interlocutor shall track the setting up of the agreement, any possible developments, propose solutions or corrective actions in cases of non-compliance and ensure coordination with PCM on collaboration conditions.

ARTICLE 17. SUBCONTRACTING

The Supplier shall refrain from subcontracting to a third party all or part of the supply of Products entrusted to it through this Agreement without prior, written and formal consent from PCM, which PCM is entitled to refuse.

In all cases, the Supplier shall remain personally responsible for the perfect execution of this Agreement for the parts it shall have subcontracted.

In the hypothesis of a subcontracting accepted by PCM according the terms indicated above, the performance of the part(s) of this Agreement entrusted to third parties shall be conducted under the entire responsibility of the Supplier, in terms of the quality of the Products and compliance with deadlines, which shall guarantee PCM compliance with all the obligations set out in this Agreement.

ARTICLE 18. PERFORMANCE

18.1. Supply Chain performance

PCM measures Supply Chain performance mainly by the Supplier's satisfaction rate. The satisfaction rate measures the Supplier's ability to comply with the initial request made by the PCM in comparison with the delivery date of the whole order.

The satisfaction rate (quantity and lead time) is measured monthly and calculated as follows:

- lead time (negotiated incoterm): effective date of delivery compared with the contractual date laid down in the Order
- quantity: quantity delivered compared to the contractual quantity laid down in the Order
- satisfaction rate = Lead time and Quantity

In the case of an annual objective defined between PCM and the Supplier, the Supplier commits to reaching the annual objective and steering through possible action plans to achieve it. For the application of this article, it is specified that the Products rejected by PCM due to non-compliance are considered as non-delivered.

18.2. Quality performance

18.2.1. General comments

The Supplier must perform all necessary controls to ensure product quality. It undertakes to alert PCM of any quality variations.

Unless prior approval is given by PCM, no features of the Products (reference, design, production process, presentation, material, packaging, etc.) may be modified during serial production.

18.2.2. Traceability

a. Description of traceability

The traceability requested by PCM is formalised in the following manner:

- either by the item code ending with the letter T (e.g. N103273014T)
- or by the "Specificity" field completed by the wording "Traceability"
- or by the specifications indicated on the Order, completed "Spec number" field
- or by a detailed request on the Order.

In the case of traceability, the supply of a 3.1 certificate following NF EN 10204 is necessary.

This traceability is implemented by specific marking (if technically possible) performed by the Supplier on each part and each related packaging as requested in the Order, on the plan or in the specifications. This list prioritises the documents. If there is no indication on the marking in the previously mentioned documents, the Supplier must apply the following rule for marking:

PCM item code + PCM Order number + Increment number (001 to 00x, "x" being the quantity ordered).

The Supplier must be able to provide PCM, at first request, with the traceability required and, if necessary, adapt its organisation.

b. Communication of traceability certificates

Documentation must be communicated in 2 copies to PCM as follows:

- one copy by email: the subject of the email should include the following elements
 - o PCM order number - Supplier delivery slip number - PCM item code number
 - o the material batch number must also be added in the case of raw materials (bars, tubes, plate, UPN, casting, chemical products, etc.).
- AND a hard copy version with the delivery slip when needed.

18.2.3. Quality control at the Supplier's plant

PCM or any other company assigned by it may check quality through sampling, during production or before shipping of the Products. If the Checked products are found to be non-compliant, PCM may ask the Supplier to ensure their compliance.

The Supplier cannot refuse PCM, or a company assigned by it, to conduct a verification during production or prior to shipping the Products. Delivery times as set out in article 9.1 may not be extended due to this control.

PCM shall pay for the quality controls and any travel costs for the initial quality control. If PCM or a company assigned by it were required to make an additional control due to non-compliant products, the Supplier shall cover all related expenses.

18.2.4. Supplier audit

PCM or a company assigned by it may, at any time, perform an audit of the system/process/product at the Supplier's premises to ensure that the production of Products is performed by the Supplier in compliance with the provisions of this Agreement and Order. PCM must however give ten (10) working days' notice prior to the start of the audit. .

The Supplier shall fully cooperate with these audits.

After an audit, PCM or any company assigned by it shall submit to the Supplier an audit report precisely indicating any potential shortcomings observed, corrective action to be set up, where appropriate, as well as implementation deadlines. Unless the Supplier responds within eight (8) days starting from reception by the Supplier, the aforementioned audit shall be considered as accepted in its entirety by the Supplier. If the Supplier fails to take corrective measures within the set deadlines, PCM shall be entitled to terminate this Agreement by registered letter with acknowledgement of receipt, without prejudice to any damages PCM could claim.

18.3. Supplier assessment

The supplier is evaluated annually: score of A / B / C / D is communicated together with an action plan request or indication of areas of progress if necessary.

ARTICLE 19. LOAN OF TOOLS AND MOULDS

PCM may be led to make available to and deposit with the Supplier tools and moulds.

In this case:

- the Supplier recognises having received such tools and moulds in good working order;
- the Supplier undertakes to use tools and moulds for the exclusive benefit of PCM;
- any damage to the Tools requiring maintenance action shall be reported by the Supplier to PCM with all supporting evidence; maintenance actions shall be anticipated to avoid any late and/or non-compliant delivery;
- tools and moulds remain the full property of PCM; should the Supplier be subject to an administration order or liquidation, PCM's ownership rights over these tools and moulds shall not be affected and PCM may not be deprived of its right to dispose of the Tools and Moulds as it wishes;
- PCM reserves the right to recover the tools and moulds at any time and the Supplier may not, under any circumstances, be entitled to oppose such a recovery. The Supplier undertakes to return the tools and moulds in the same condition as it received them. ;
- The legal custody of tools and moulds is entrusted to the Supplier which accepts the obligations of all custodians

Risks of loss or deterioration attached to the tools and moulds as well as any financial consequences of damage of any nature that such tools and moulds may be likely to cause are transferred by this Agreement to the supplier, on the date on which the tools and moulds shall be delivered to the Supplier.

ARTICLE 20. WARRANTY AND SUPPLIER'S LIABILITY

20.1. Product warranty

The Supplier guarantees that the Products comply with the specifications and requirements agreed in the Order, that they are adapted to the specific destinations expected by PCM, have no design fault, no material fault and production fault, fully satisfy the requirements expected by PCM and meet all legal requirements and applicable standards, especially in terms of safety.

Unless otherwise stipulated in the Order, the Supplier guarantees the Products and their expected outcome for a period of two (2) years, starting from their delivery date. Complaints made under the terms of this warranty shall suspend the warranty period until repair of the defect by the Supplier and the warranty period shall be extended by the equivalent repair time.

Warranty covers parts, labour, transport and travel expenses. It also includes dismantling, handling, customs and part re-assembly costs and for Works, demolition and repeat performance of the Works. This warranty clause does not prejudice the reparation of any damages caused to the Buyer.

Unless otherwise agreed between the Parties, any replacements or repairs of the Supply in respect of the guarantees provided by this Article must be performed within a maximum period of forty-five (45) days starting from the written notification by the Buyer of the defect or malfunction.

Unless otherwise agreed between the Parties, during the warranty period, the Supplier undertakes to intervene at the PCM site free of charge within two (2) days in order to repair within five (5) days, starting from written notification by the Buyer.

Any replaced or repaired product or any corrected service shall be guaranteed, under the same conditions as above, until expiry of the warranty period and at least for a period of six (6) months starting from the intervention date. Should the Supplier not execute its warranty obligation, the Buyer reserves the right to perform or have performed by third parties any work required, at the Supplier's expense.

20.2. Supplier's liability and insurance

The Supplier shall be responsible for a direct, indirect, incidental, special and consequential damage, which includes the shortfall suffered by PCM due to late deliveries, defective Products or any other shortcomings of the Supplier in the execution of the Order.

In any case, no inspections, approvals or acceptance of the Products shall constitute a release Supplier from its liability for damages, defects or other shortcomings to satisfy the terms of the Order.

The Supplier must take out and maintain, for the term of this Agreement and Order, all insurance policies needed to cover civil liability risks related to the execution of this Agreement and Order and aimed at covering bodily, material and intangible damage, consecutive or not, that may be caused by the Products.

With the first order, the Supplier must send to PCM all insurance certificates proofs of its satisfied the terms of this Agreement.

In addition, the Supplier must produce annually, as long as its contractual obligations remain, all policy renewal certificates until their maturity. In case of insufficient coverage, the Buyer is entitled to demand that the Supplier takes out additional insurance cover.

It is specified that sub-limitations and excesses contained in insurance policies taken out by the Supplier may not be claimed from the Buyer.

Neither the submission of insurance certificates by the Supplier nor the content of insurance policies taken out shall constitute any limit of the Supplier's liability.

20.3. Product end-of-life

The Supplier undertakes to deliver Products, their parts or components for repair, maintenance or development for the scheduled duration of the Order, including the warranty period, and also undertakes to ensure that their production and distribution are not interrupted for 5 years after the last delivery date.

Should the Supplier decide to terminate production of all or part of the Products, the Supplier must inform PCM at least six (6) months before the effective end of life of the Products so that PCM can place complementary orders and/or search for a replacement supplier or replacement products. In this respect the Supplier shall assist PCM in its search for a replacement supplier or replacement products.

20.4. Supplier's liability in the case of a breach of economic sanctions or any other export control

In all cases, no inspections, approvals or acceptance of products can exonerate the Supplier from its liability for breaches of international or national economic sanctions and export control regulations.

PCM reserves the right to demand reparation from the Supplier in the case of a breach in the provisions listed above, in the case of a fault.

ARTICLE 21. CANCELLATION OF AN ORDER

21.1. For a breach by a party of its obligations

In the case of a breach by either of the Parties of one of its obligations laid down in an Order and continuing for a period of fifteen (15) days starting from the receipt of a registered letter stating the breach(es), the non-defaulting Party may be entitled to cancel the Order, without prejudice to the damages it may claim as reparation of the loss suffered from the said contractual breaches.

In cases of cancellation of the Order by the Buyer due to the fault of the Supplier, the Buyer reserves the right to execute or have executed all or part of the Order at the Supplier's expense. In this respect, the Supplier undertakes, by request of the Buyer, to communicate to the latter or to any third party designated by the latter any information needed to cancel the Supply.

21.2. For convenience

PCM may cancel an Order, fully or partly, subject to giving a thirty (30) day notice by registered letter with acknowledgement of receipt to the Supplier and paying for any Products delivered as of the date of notice that have been accepted by PCM as conforming products.

21.3. In all cases of termination

The Supplier must return at its expense and within a week to the Buyer all Entrusted Goods and Documentation still in its possession.

Each Party shall be required to comply with its contractual obligations until the effective termination date, without prejudice to any damages that the complainant may obtain due to non-execution, by the defaulting Party of its obligations contained in contractual documents.

In addition, if the Supplier is the single source for the Buyer, the latter may postpone the effective date of termination until the implementation of an alternative source, in which case, the Supplier undertakes to execute the Orders under contractual conditions.

ARTICLE 22. UNFORESEEN EVENTS AND FORCE MAJEURE

22.1. Unforeseen events clause

In the case of the occurrence of an event outside the control of the parties and compromising the balance of the contract to such a point as to make the execution of its obligations damageable to one of the parties, the parties agree to negotiate in good faith to modify the Order. The following events would be covered by this: variation of the price of raw materials, modification of customs duties, modification of exchange rates, a change in the law. In the case of a failure of negotiations, the parties agree to call on a mediator appointed by them or a conciliation arbitrated by the President of the competent Commercial Court.

22.2. Force majeure

None of the parties to this contract may be held liable for any delay or failure to execute one of their obligations under the contract if such a delay or failure is directly or indirectly caused by a case of *force majeure*, understood here in the broad sense of French case law such as: occurrence of a natural disaster; earthquake, storm, fire, flooding, etc.; conflict, war, attacks, labour conflict, total or partial strike at the Supplier's, Customer's or suppliers, subcontractors, service providers, carriers, postal services, public services, etc.; imperative injunction by the public authorities (ban on importing, embargo); operating accidents, machine breakage, explosion.

Each party shall keep the other informed, immediately, of the occurrence of a case of *force majeure* of which it is aware and which, in its opinion, is likely to affect the execution of the contract. The parties must work together as soon as possible to examine, in good faith, the consequences of the force majeure and agree together on the measures to be taken.

ARTICLE 23. MISCELLANEOUS PROVISIONS

23.1. Transfer of the contract

PCM will be entitled to freely transfer or transmit, at any time, all or part of its rights and obligations under this Agreement or any resulting advantage or interest to its subsidiaries, affiliate companies or member of the same group or to any company directly or indirectly controlled by PCM, without prior agreement from the other party to this contract and namely in the case of merger, demerger, absorption, partial contribution of assets, sale.

23.2. Amendments

This Agreement may not be amended and/or waived in any way by the Parties, except in a writing executed by the Parties.

23.3. Entirety

This Agreement and any appendices and amendments signed in compliance with the provisions of this Agreement represent the entirety of the agreement between the Parties and replace all prior discussions, negotiations and agreements between them, as to the purpose of this Agreement. Consequently, the Parties shall not be bound by the terms, conditions, guarantees or declarations contained in the documents other than this Agreement and its possible appendices and amendments signed in compliance with the provisions of this Agreement.

23.4. Titles

The titles of the articles of this Agreement should allow the identification of the said Articles. If there is a difficulty of interpretation between any of the titles heading each article and of any of the articles, the titles shall be declared non-existent.

23.5. Contractual autonomy

The invalidity or unenforceability of any of the provisions of this Agreement shall not impose the invalidity of any other provisions which retain all their force and scope.

However, Parties may, by common agreement, agree to replace the invalid stipulation(s).

23.6. Waiver

If a Party does not exercise a right set out in this Agreement, it will not be considered to have waived it, unless specifically stated in writing by the Parties.

23.7. Appendices:

Appendices and the preamble to this Agreement are an integral part of this Agreement and have a mandatory character in the same way as the Agreement itself.

ARTICLE 24. APPLICABLE LAW AND COMPETENT COURT

This Agreement is governed by Italian law.

The parties must - before referring to the competent court and under penalty of non-admissibility of the application - introduce the Mandatory Mediation procedure established by law n ° 98/2013. Mediation will be mandatory in Milan.

Data,-----

Timbro e firma

The parties sign approve in writing pursuant to and for the purposes of art. 1341 c.c. the following clauses:

- art. 7.3 Bank guarantee;
- art. 7.4 Delay in payments;
- art. 7.5 Request on invoicing ,
- art. 8.3 Penalty for delay;
- art. 9.5 Receipt of the product
- art. 9.6 Management of non-compliance;
- art. 11 Supplier's declarations ;
- art. 13 Ituitu personae;
- art. 15 Intellectual property and non-compete commitment;
- art. 17 Subcontracting;
- art. 19 Loan of tools and molds;
- art. 20 Warranty and liability of the supplier;
- art. 22 Unpredictable events and force majeure;
- art. 23 Various provisions;
- art. 24 Applicable law and competent court.

APPENDIX 1 - PURCHASE ORDER & ACKNOWLEDGEMENT OF RECEIPT OF ORDER TEMPLATE

PURCHASE ORDER TEMPLATE

BON DE COMMANDE
PCM Europe S.A.S.

Référence de commande à rappeler obligatoirement sur la facture et le bon de livraison

PCM Europe

Référence PCM : PO-060-1716220
 N° avenant : 0
 Date cde : 03/10/2017
 Code fournisseur : ██████████
 Référence fournisseur : ██████████

CONTACT PCM

Nom : ██████████
 Fonction : ██████████
 Email : ██████████
 Téléphone : ██████████

Fournisseur

██████████
 ██████████
 ██████████
 ██████████

CONTACT FOURNISSEUR

Nom : ██████████
 Fonction : ██████████
 Email : ██████████
 Téléphone : ██████████

ADRESSE DE LIVRAISON

PCM Europe SAS
 Rue René Moineau
 CS 50056
 49123 CHAMPTOCE SUR LOIRE - France

ADRESSE DE FACTURATION

PCM Europe SAS
 Service comptabilité
 Rue René Moineau
 49123 CHAMPTOCE SUR LOIRE - France

Article	Désignation	Date récept.	Quantité	Prix brut	Remise	Prix net	Total ligne
1	0-00028 Assistance sur site S43, S47, S48 et S49	03/10/2017	██████	██████		██████	██████

Devise EUR
 Incoterm DAP
 Condition paiement Vir SEPA 30 jours FM

TOTAL HT ██████████ EUR

COMMANDE SELON LES CONDITIONS GENERALES D'ACHAT PCM
 AUCUNE LIVRAISON EN PORT DÙ ACCEPTÉE
 Un accusé de réception doit obligatoirement être retourné sous 48H