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GENERAL TERMS AND CONDITIONS OF SALES
FOR GOODS
(INTRA-COMMUNITY CLIENTS)

0. SUBJECT

The present 'General Terms and Conditions of Sales for Goods' (hereinafter called 'GTC') are applied to all offers/quotations effected and to all formed contracts of sales of Goods (hereinafter called "Supply Agreement" or "Contract of Supply" or simply "Supply" or "Contract") between FORGITAL ITALY SPA with legal address in Via Giuseppe Spezzapria, 1, 36010 Velo d'Astico (VI) VAT Number IT02689090245 and Fiscal Code 12205490159 (hereinafter 'FORGITAL' or 'the Supplier') and any of its customers (hereinafter called the 'Client/s' or 'Buyer/s' or 'Destinee') with subject the following goods that can be manufactured or buy by third parties and re-sell by FORGITAL: forged products for different applications, mainly seamless rolled rings (both in rectangular or profiled section), including discs or other open die forging products in various types of materials such as carbon steels, alloy steels, stainless steels, aluminium, nickel alloys, cobalt alloys, copper and titanium alloys. (Hereinafter called 'Goods' or 'Products')

1. ORDERS AND EXECUTION OF THE CONTRACT:

- 1.1. These GTC are expressly accepted by the Buyer when FORGITAL sends its proposal/quotation to the Buyer or, in any case, when FORGITAL sends its Order Confirmation.
- 1.2. The Client acknowledges and accepts these GTC as the only terms and conditions regulating the purchase of Supplier's Goods
- 1.3. Each order issued by the Buyer in favour of FORGITAL implies the acceptance, without exceptions, of these GTC.

- 1.4. In no case any general condition of purchase in any manner inserted, mentioned, quoted in the Client's correspondence and forms shall be considered as applicable in the supply of FORGITAL's Products
- 1.5. Save a shorter validity is expressly indicated in FORGITAL's documents, Proposal/quotation is valid and effective only if the complete and definitive negotiation is performed or Purchase Order is sent by the Buyer to the Supplier within 3 (three) days from the date of proposal/quotation. The shipment date/s shall be fixed only in Order Confirmation sent by Supplier to Buyer.
- 1.6. It is understood that the Client is solely and fully liable for the choice of the technical specifications/characteristics and shall keep FORGITAL harmless from any claim that any third party may raise in connection to wrong, mistaken, improper specifications. In no case the Supplier may be held liable or responsible for any verbal or written comment or suggestion given in relation to the technical specifications, unless such activity is expressly agreed in writing as part of a collateral consultancy agreement.
- 1.7. The Contract of Supply is considered formed only after FORGITAL sent the Order Confirmation to Client.

2. PRICES

- 2.1. Prices and currencies are those indicated in Order Confirmation. Unless otherwise stipulated, the prices of the Goods neither include the VAT (Value Added Tax) amount nor other taxes, duties etc related with the Goods (hereinafter called as 'Taxes'). Amount of Taxes in relation with the supply of the Goods shall be at the Buyer's expense and shall be invoiced by FORGITAL to the Buyer in the commercial invoice or through a separate invoice.
- 2.2. Furthermore, the Buyer shall provide all necessary documents and shall support Supplier with all necessary activities to demonstrate the Intra European Union destination of the Supply of the Goods within the time schedule provided by Italian/European Union Competent Authorities. Should the Buyer fail to provide the Seller with any of necessary documents or to support the Seller in proper way, then the Buyer shall be liable to indemnify the Seller for all the costs due to the drawback of VAT and probable penalties/sanctions applied by Italian/European Union Fiscal Authorities.
- 2.3. If FORGITAL grants a discount, it shall be applicable only for the specific Supply for which the discount has been granted and mentioned on the Order Confirmation.

3. TERMS, DELIVERY AND EXECUTION OF FORGITAL'S OBLIGATIONS

- 3.1. The delivery date indicated on Order Confirmation is only estimated and not essential. In any case, 30 (thirty) working days of grace period shall be applicable on delivery date indicated by FORGITAL.

- 3.2. In case of delay in the delivery of the Goods, Supplier shall not be liable for any loss or damage of any kind whatsoever directly or indirectly caused by any delay in the delivery of the Goods or completion of the Supply. Moreover, in no event the Supply regulated by these GTC shall be automatically terminated in case of late deliveries, nor shall the Client be entitled to terminate the Contract of Supply in case of late deliveries.
- 3.3. No penalties or liquidated damages shall be applicable by the Client to FORGITAL in case of late delivery of the Goods.
- 3.4. The events which can prevent or delay the supply are, by the way of an example, strikes, insurrections, wars, locks-out, earthquakes, fires, flooding, pandemic, atmospheric events, imports embargoes, delays in deliveries by the suppliers of FORGITAL, limitations of supply of energy, unexpected breakage of a machinery or of an equipment, limitations on traffic circulations are expressly recognized by the Buyer as force majeure events or, in any case, events for which FORGITAL shall not be considered responsible in case of delay in the deliveries .
- 3.5. Prices offered are intended ex works FORGITAL's warehouse in Velo d'Astico (VI) Italy as per updated Incoterms .
- 3.6. In case of delay in the collection of the Goods ready for shipment, the Client shall bear all the expenses concerning the occupation of FORGITAL's warehouses and yards. It being understood that the risks of damage, deterioration and/or theft of the Products shall be borne by the Client from the date of delivery indicated in Order Confirmation.
- 3.7. Packaging is not included in quotation. Should Client require a packaging during the negotiation phases, it shall be quoted separately.

4. CANCELLATION OR CHANGING OF THE ORDER

- 4.1. The Buyer shall not have the right to cancel or require a change of all or any part of the Purchase Order unless agreed in writing by FORGITAL.

5. WARRANTY

- 5.1. Whereas Buyer will have the right to assert its warranty claiming only if FORGITAL has already received the full payment of the Goods for which it requires the warranty, FORGITAL warrants that the Products are in compliance with Order Confirmation technical characteristics. FORGITAL, anyhow, does not warrant that Products shall be 'fit for purposes' or of 'merchantability quality' or similar concepts.
- 5.2. In case Supplier should provide a trial sample or a prototype, FORGITAL' undertaking shall be solely that the Products shall be in compliance with the characteristics of trail sample. In any case the Client shall not be entitled to refuse the Products or require modifications thereof, should the inconsistencies with the mentioned characteristics be trivial and/or fall within the normal and/or agreed tolerances and limits.

- 5.3. The warranty period is of 12 (twelve) months from the relevant delivery date of the Goods.
- 5.4. The warranty may be claimed by the Client only, whilst the Client's assignees or other third parties shall not have any direct claim against FORGITAL
- 5.5. In any case the warranty shall not applied to those machineries, equipment, plants in which the Goods are used or installed and the Client expressly waives to claim any damage, loss, cost and/or for injury or death of personnel assigned to the use of such machineries, equipment, plants which could, directly/indirectly, arise
- 5.6. The warranty shall not apply in case of defects, damages or failure of the Goods resulting as a consequence of and/or from:
- 5.6.1. improper storage, maintenance, use, application;
 - 5.6.2. damages caused by accident, fire or other casualty or negligence not ascribable to FORGITAL;
 - 5.6.3. failures resulting from unauthorised modifications or alterations of the Products;
 - 5.6.4. any damage, loss or consequence deriving from defects or non compliance of the Products caused by failure, deficiencies and/or mistakes in the information or technical specifications supplied by the Client;
 - 5.6.5. any other cause, not ascribable to FORGITAL's negligence
- 5.7. The Client forfeits from warranty if he should not provide to suspend immediately the use of the Goods in case of discovery of a non-conformity or of a defect on the Goods.
- 5.8. During the warranty period, FORGITAL shall repair or replace, at its own discretion, free of charges the Products found not in compliance. If required by the Supplier, the Goods to be repaired or replaced should be returned, at the Client's costs, to FORGITAL's premises.
- 5.9. The Client shall, sub poena of forfeiture of the warranty, notify in writing by email with Supplier's confirmation of such communication or by registered letter with return receipt, any non compliance or discovered defects, within and no later than 14 (fourteen) days from the date of receiving of the Goods. In case of hidden defects within and no later than 8 (eight) days from the date of relevant discovery. The burden of proving the date of receiving or of the relevant discovery lies with the Client. In no case claims for non-compliance or for defects shall be accepted if received by FORGITAL after 12 (twelve) months from the date of delivery of the relevant Products.
- 5.10. Any further express or implied warranty of fitness or merchantability as well as any reimbursement of costs or other obligations or liability either direct or by the way of redress including those for direct, indirect, incidental or consequential damages are, to the extent permitted by law, expressly excluded and waived.

6. LIMITATION OF RESPONSIBILITY

6.1. In no event shall FORGITAL be liable to the Client, Client's assignee and/or any other third party for any claim, whether arising under contract, tort (including negligence), strict liability or otherwise, for loss of revenue, loss of profit or loss of use of capital, downtime of facilities, standby of equipment/plant, standby of personnel, loss of business reputation or opportunities, loss of production, loss of product and/or for any special, in direct, incidental or consequential loss or damage of any nature (including any penalty or liquidated damages applied by Client's customers to Client) arising at any time or from any causes whatsoever and whether or not foreseeable, even if caused or contributed to by the negligence or breach (statutory or otherwise) of FORGITAL in relation to Supply Agreement

6.2. Notwithstanding any other provisions on the contractual documents and except the case of demonstrated wilful misconduct of FORGITAL, maximum cumulative and aggregate responsibility/liability of FORGITAL towards Client and/or any third party for whichever reason shall not exceed the amount paid by the Client for the claimed Goods.

7. RETIRE AND DELIVERY OF ORDERED GOODS

7.1. At the expire of the agreed delivery terms, but, in any case, not later than 10 (ten) days from the notice of Goods ready for collection, the Buyer is obliged to provide for the collection of the Goods .

7.2. The above term elapsed, FORGITAL shall be authorised to issue the relevant invoice and the terms of payment shall accrue as indicated in Order Confirmation and the relevant Goods shall be stored in FORGITAL's yard at Client's costs and risks, with forfeiture of warranty without any responsibility for the Supplier. FORGITAL in addition shall be authorized to debit to the Buyer 0,2% (zero point two percent) of total amount of Order Confirmation for each/part of week of delay as handling and stored charges.

8. PAYMENTS AND DELAYS ON BUYER'S OBLIGATION

8.1. Unless otherwise agreed, payment of the Goods shall be effected by swift bank transfer in favour of FORGITAL in its bank account in accordance with the following terms :

8.1.1. 50% (fifty percent) of the total amount when Order Confirmation is sent by Supplier to Buyer

8.1.2. Balance 50% (fifty percent) of the total amount when FORGITAL informs the Client of Goods ready for collection. In any case collection of Goods can be effected only when full payment is received in Supplier's bank account without recourse

- 8.2. FORGITAL's invoices shall be exclusively paid at its domicile
- 8.3. In no event shall any claim on the Products, defect or non compliance of the Products, even when expressly acknowledged as such by FORGITAL and/or delays of delivery of the Products give the Client the right to suspend the relevant payments and/or any other payment for whichever reason due to FORGITAL (*Solve et repete*).
- 8.4. Should the Client delay or fail to comply with the payment terms, even if the Client is in delay with just one payment term, FORGITAL shall be entitled to suspend all the pending deliveries, until full payment of the outstanding credits, even if related to other contracts of supply and/or until receipt of proper guarantees for any future delivery. In case of delay on payment terms, Buyer shall pay to FORGITAL for each/part of week of delay 0,1% (zero point one percent) of penalty calculated on the delayed amount.
- 8.5. In case of plurality of Contracts, if the Buyer should not provide to pay or delay in the payment of just one invoice, FORGITAL is authorized to suspend the outstanding Supplies, without prejudice to any other rights FORGITAL may have or to any other damages to be paid by the Client to FORGITAL in accordance with any other provisions of Supply Agreement
- 8.6. Notwithstanding any other provisions, FORGITAL shall be authorized to terminate the Supply Agreement, for right cause, should the Client fail to provide for the payment within 15 (fifteen) days from receiving of notice to pay from the Supplier.
- 8.7. In no event shall the Client be entitled to set-off its debts toward FORGITAL against credits and/or claims toward the latter.

9. SUPPLIER'S RIGHT TO TERMINATE THE SUPPLY AGREEMENT

- 9.1. FORGITAL shall have the right to terminate all or any part of the Supply Agreement, without any responsibility, in the following circumstances:
 - the Buyer becomes insolvent, bankrupt or makes an assignment for the benefit of creditors, or a receiver is appointed for a substantial part of Buyer's assets.

10. CONFIDENTIALITY AND FORGITAL INTELLECTUAL PROPERTY RIGHTS

10.1 The Client shall not represent in any way that it has the any right or title on the trade marks owned by FORGITAL nor apply to register in its own name trade marks that are similar to, or may be confused with the trade marks owned by Supplier

10.2. Furthermore, the Client agrees that the Confidential Information disclosing by FORGITAL shall be kept strictly confidential and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including by means of photocopy, reproduction or electronically, without Supplier's prior written consent

10.3. The Client shall be responsible for ensuring that all persons to whom the Confidential Information is disclosed shall keep such information confidential and shall not disclose or divulge the same to any unauthorized person. Client shall remain liable to FORGITAL for any breach or non-compliance by any such person. Client agrees and acknowledges that because of the

valuable nature of the Confidential Information, damages alone may not be an adequate remedy for a breach of any term and therefore agrees that Supplier shall be entitled to the remedies of injunction, specific performance and other equitable relief for a threatened or actual breach of any term by it or any of its directors, officers, employees, agents, consultants or contractors without proof of special damage.

10.4 In the event Client should breach any of the obligation provided by this article, Client is undertaken to grant and recognize to FORGITAL the minimum amount of Eur 250.000,00 (eur two hundred and fifty thousand,00) as contractual' penalty, without prejudice to Supplier's rights to pursue other forms of relief

11. SEVERABILITY

11.1. If any provision of these GTC shall be found invalid or unenforceable, the invalidity and unenforceability shall not affect the other provisions of GTC which shall remain in full force and effect. The Parties agree to attempt replacing any invalid or unenforceable provision, a valid or enforceable provision which achieves to the maximum possible extent, the objectives of the invalid or unenforceable provision.

12. RETENTION OF TITLE

12.1. FORGITAL shall be the sole owner of the Products supplied until full payment of the same effected by the Client. Should the Supply Agreement be terminated due the Client's breach of the Contract, the instalments already paid by the Client shall be kept by FORGITAL as an indemnity, without prejudice to FORGITAL's right to claim for further damages.

12.2. The Client has the right to sell the Products in the ordinary course of business on the understanding that the proceeds of any such sale shall belong to FORGITAL to whom the Client shall account such proceeds up the concurrence of the full amount due by the latter to the former for the Supply of the Products

12.3. FORGITAL shall have the right at any time to revoke the above mentioned Client's right of sale by written notice, if the latter is in default with respect to the payment of any sum due for more than 15 (fifteen) working days

12.4. The Clients' right to sell the Products shall furthermore automatically cease and payment of the Goods becomes immediately due if a receiver is appointed over any assets or undertakings of the Client or a winding up order is made against it, or if the Client goes into a voluntary liquidation or causes a meeting or a composition with creditors, or commits any act of bankruptcy or if its assets are attached without any defence being raised.

12.5. Notwithstanding the moment of the actual transfer of title on the Products, all the risks relevant to any loss or damage of the Products are borne by the Client when Goods are ready for the collection in Supplier's warehouse as per ex works updated Incoterms provisions.

13. PERSONAL PROTECTIVE EQUIPMENT

Please respect the current safety requirements of our company. In particular, in order to enter the plant, safety shoes, helmet and a high visibility jacket must be worn. Any action considered not conforming to these requirements and therefore capable of putting in danger the workers involved will be stopped.

14. GHG PROTOCOL

Forgital Italy is committed to respecting the standards indicated in the Greenhouse Gas Protocol. To fulfil these standards, Forgital Italy S.p.A. asks each client to render available information regarding gas emission effecting global warming arising from the transport and use of the product purchased in Forgital Italy S.p.A.

15. ARTICLE 17 - ORGANIZATIONAL, MANAGEMENT, AND CONTROL PROCEDURE TO LEGISLATIVE DECREE NO. 231/2001

Forgital Italy S.p.A. has adopted and implemented an organizational, management and control procedure that ensures compliance with Legislative Decree No. 231/2001 throughout the execution of its corporate activities (hereinafter "Procedure"). The Procedure aims at the prevention of the crimes described by the above-mentioned Decree, including but not limited to, corruption, modern slavery, violation of health and safety at the workplace, violation of the laws on environmental prevention and protection.

The Procedure comprises a system of internal controls and precautionary measures aimed at preventing the crimes described in the Legislative Decree No.231/2001, and a Code of Ethics ensuring the compliance of all corporate activities with the best crime prevention Standards.

[The Counterpart] declares to be well aware of, and accept the Code of Ethics of Forgital Italy S.p.A. and the principles published on the Company's website www.forgital.com. Furthermore, the Counterpart acknowledges that the Company has developed and adopted an Organizational Management and Control System that is also available at the same website.

The Counterpart undertakes to comply with all parts of the Procedure, and Code of Ethics of Forgital Italy S.p.A. that are applicable to its operations under this private agreement. More specifically, the Counterpart commits (also on behalf of other thirds or subcontractors assigned with any of the contractual tasks) to execute the contractual activities and obligations hereunder by taking all due measures to prevent any misconduct to Legislative Decree No. 231/2001. By ensuring compliance with Legislative Decree No. 231/2001, the Counterpart herein also commits to refrain from any action, operation and/or conduct that may expose Forgital Italy SpA to any liability under this Decree.

16. APPLICABLE LAW AND EXCLUSIVE COURT

- 16.1. These GTC and the Supply Agreement shall be governed and construed in accordance with the Italian Law, it being expressly understood that the U.N. Convention on the International Sales of Goods (Wien 11th April 1980) shall apply to any sale of the Products made under any Supply Agreement
- 16.2. All disputes arising out or relating to any Supply Agreement regulated by these General Terms and Conditions of Sales shall be exclusively submitted to and settled by the Court of Vicenza, Italy. However FORGITAL shall be entitled to institute proceedings against the Clients before the competent Court of the place where the Client has its registered office.

Velo d'Astico (VI) May 3rd 2021

The Client

The Client hereby states and declares to expressly approve, for the purposes and to the extent provided by article 1941 and following of the Italian Civil Code, the following provisions of these GTC :

- Item 1.2. Client's acknowledgment of Supplier General Terms and Conditions of Sale
- Item 1.4. exclusion of Client's general conditions
- Item 1.6. limitation of Supplier's responsibility for technical characteristics
- Item 2.2. Buyer's undertaking to support and to furnish proper documentation to Supplier in case of supply inside European Union
- Items 3.1.,3.2. and 3.3. limitation of Supplier's responsibility in case of delay in delivery of the Goods
- Item 4.1. No right of cancellation or changing of the Order
- Item 5.1. Exclusion and limitation of Supplier's warranty with exclusion of the warranty of conformity of the Products with the use/application of the Goods and of the 'fit for purposes', 'merchantability' of the Goods

- Item 5.4. Limitation of warranty in favour of the sole Client
- Item 5.5. Limitation of responsibility for damages caused to the machineries and Personnel of the Client and/or any third party
- Item 5.6. exclusion of warranty for reasons not attributable to Supplier
- Item 5.7. exclusion of warranty in case of use or processing of the Goods
- Items 5.8. and 5.10. limitation of warranty to the sole repairing or substitution of the defected Goods
- Item 5.9. forfeiture of warranty and burden of proof
- Items 6.1. and 6.2. Exclusion of Indirect damages and limitation and maximum Supplier's responsibility
- Item 8.3. Solve et Repete
- Item 8.4. Suspension of deliveries in case of delay or failure to pay
- Item 8.6. Right to terminate the Supply Agreement
- Item 8.7. Prohibition to set-off
- Item 10.4. Penalty clause in favour of FORGITAL
- Item 12.1.; 12.3. revocation and termination of the right to sell
- Item 16.1. Applicable Law
- Item 16.2. Exclusive Court

Velo d'Astico (VI) May 3rd 2021

The Client
