

GENERAL PURCHASE CONDITIONS

The “General Purchase Conditions” set out below must be understood for all purposes to be an integral part of the purchase order. Any clause added by the Purchaser to the wording of the purchase order which has the same heading, cancels and replaces wholly or in part the appropriate clause of these General Purchase Conditions.

NOTE: In these Purchase Conditions, “Purchaser” is understood to be the company G.L.F. turbine Srl, while the “Vendor” is the appointed supplier; the Purchaser and the supplier are also defined individually as ‘Party’ and collectively as ‘Parties’.

CLAUSE 1 - CORRESPONDENCE

All correspondence shall always quote the Purchaser’s purchase order number and shall be sent, with the exception of the invoices, to the Purchases Department, as set out on the purchase order itself.

CLAUSE 2 - TECHNICAL DOCUMENTS

It is the supplier’s responsibility to check that the documents he has for fulfilment of the supply is complete and up-to-date, according to what is set out on order-columns DOC. APPL. And REV.; it is also the supplier’s responsibility to follow the directions stated on the Q.C.P and the P.R.A. (included with a note on the order) for the items for which the supply is subject to these further documents.

CLAUSE 3 - CONFIRMATION AND ACCEPTANCE OF THE PURCHASE ORDER

The vendor should send the Purchaser the purchase order acceptance form, duly stamped and signed in confirmation of his acceptance, within 20 days from the date of the purchase order. The conditions set out in clauses 3-6-7-9-11-12-15-16-17-18-21-22-23-24-25-26, under these general purchase conditions, stated on the aforesaid form, should be specifically approved by the Vendor in accordance with article 1341 of the C.C..

It shall be signed by people duly authorised by the Vendor himself.

No other systems for confirming orders shall be accepted.

CLAUSE 4 - SHIPMENTS

Unless otherwise stated, the Vendor should use the carriers and/or shippers stated on the order. In the event of non-fulfilment, the Purchaser shall proceed to debit the costs sustained to the Vendor. If the Vendor has been authorised by the Purchaser to make the shipment directly, he should use the means most documented by means of regular invoices. The clearance of the material is understood to be carried out with a reservation for making checks. In the case of delivery “free at destination” the quality and weight acknowledged are those found on arrival at the Purchaser’s plants or at the sites instructed by the latter.

CLAUSE 5 - PACKAGING

The Vendor should arranged for suitable packaging of the material that is the subject of the supply, according to what is specified in the purchase order or, if not specified on the order, according to the best methods generally used in the trade, so as to guarantee that the loose parts are easily checked and the tooled machine parts are not damaged during transport. In any case, the Vendor shall be fully liable for all damage suffered by the material due to incorrect packaging and should compensate the Purchaser for all the consequences that arise. The materials that, due to size or weight, cannot be suitably packaged, should be arranged on trucks, pallets, or in some way supported on cross-pieces of appropriate thickness, so that they can be lifted and unloaded in safety. The items of equipment that arrive at their destination and are difficult to unload will not be accepted and will be returned to the sender.

The country of origin of all the material shipped across international borders should be stated clearly, visibly, legibly, indelibly and permanently, if permitted by the nature of the article or the container, in order to state clearly to the purchaser and to the Customs the origin of the material. The net weight and the gross weight, the place of embarkation, the type of packaging, the coupling points in case of shipment of material, should be stated.

Each pack should be marked or labelled stating at least the following details: the Suppliers trade name, purchase order number, material code and amount of contents, gross/net weight in kg. at destination.

CLAUSE 6 - DELIVERY TERMS

The delivery terms are understood to be binding and essential, and as a result no extensions are permitted without the purchaser’s prior approval in writing. This is without prejudice to different conditions, specifically stated on the purchase order. The vendor shall be deemed liable for damages and for costs sustained by the purchaser arising from delays in the deliveries, unless these delays are caused by Act of God. Without in any way limiting or altering the above, exception is however made to the purchaser’s right to cancel the purchase order in the event of delay in the deliveries caused by the Vendor. Furthermore, the Vendor shall not undertake commitments or make agreements that lead to supplies of materials in excess of the amounts set out on the purchase order.

In the case where the supplier does not manage to observe the delivery date stated on the purchase order, unless it is justified by a valid reason of Act of God, the supplier shall be deemed liable for damages arising from this delay and the purchaser may require the supplier to pay the penalty calculated as follows: 1% of the total sum of the purchase order for each full week’s delay (or for any part thereof) up to a maximum of 10% of the total sum of the purchase order.

CLAUSE 7 - CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

a) “Intellectual property” means all rights of intellectual property and all related property rights including, without restriction, all rights of creation and copyright, inventions, patents, applications for patents and know-how of each product, process, method, machine, manufacture, design, composition of matter, or any new or useful improvement thereof, such as copyrights, trademarks, service marks and all commercial secrets, computer programmes, data and databases relating to the material of each purchase order;

b) “Proprietary information” means all the information that is disclosed or made available to the Supplier with reference to the material of the purchase order, whether or not marked as confidential, given by word of mouth or in writing, and the technical information obtained by the purchaser or produced for the first time by the supplier or the purchaser in carrying out the purchase order;

c) “Technical Information” means technical information and data, both documented and non-documented, relating to material concerning each purchase order, including and not restricted to design, manufacture, information on assembly and maintenance, drawings, performance specifications, material specifications, methods, practices, computer files and software, as well as their modifications, revisions and upgrades. The technical information specifically excludes design standards, methods, software developed by the supplier without the use of funds from the purchaser prior to the supplier’s activities stipulated by the purchase order and which he is not required to deliver to the purchaser on the basis of the purchase order itself.

Confidentiality. The supplier and his personnel should keep confidential and should safeguard and not disclose to third parties ‘proprietary information’ unless expressly authorised to do so by the purchaser. The supplier acknowledges and accepts the confidential nature of any ‘proprietary information’ and acknowledges the irreparable damage that may arise for the purchaser if it is disclosed to a third party or if it is used for unauthorised purposes, without prior consent in writing from the purchaser. The supplier agrees to use all ‘proprietary information’ only to conduct business with the purchaser, according to the methods set out in this clause. The supplier should seek to keep confidential the purchaser’s proprietary information and to prevent its disclosure to third parties. The supplier shall restrict disclosure of any proprietary information solely to the supplier’s personnel who need to know it and should

oblige the said personnel to the commitments of confidentiality. Upon completion or termination of the purchase order, or at the purchaser's request, the supplier should promptly return all the materials forming part of this proprietary information and any copy thereof.

Information not covered. The parties agree that the supplier's obligations with regard to the processing, disclosure, re-production and use of the said 'proprietary information' are not applicable to the part/s of proprietary information that: a) are in the public domain prior to their receipt by the supplier or after the date of receipt without breach of the purchase order by the supplier; b) are known, as shown by the documents, to the supplier prior to disclosure thereto by the purchaser; c) the supplier could disclose with prior approval in writing from the purchaser; or d) is disclosed without restriction to the supplier by a third party authorised to do so in good faith, without breach of the purchase order by the supplier.

Supplier's information. Unless otherwise specified in the purchase order, any kind of information disclosed to the purchaser should be deemed to have been made known with no financial or other obligations on the purchaser to keep it confidential, and the purchaser shall be entitled to use and disclose this information without any compensation other than that which may be specified on the purchase order.

Intellectual property rights. The supplier agrees to transfer and assign to the purchaser and his appointees, without further compensation, the entire right, title, ownership and interest, all over the world, with reference to: a) all the technical information specifically produced by the supplier in carrying out the purchase order; b) all the intellectual property specifically arising from the supplier's activity in carrying out the purchase order; c) all the intellectual property relating to any material to be delivered on the basis of execution of the purchase order; d) any creation or invention made by means of use of equipment, supplies material installations and/or information owned by the purchaser or his associate companies. The technical information and the intellectual property relating to execution of the purchase order and that can be protected by copyright or by patents shall belong exclusively to the purchaser. The supplier also agrees to inform and help the purchaser with all appropriate means to obtain suitable legal protection relating to the technical information and the intellectual property transferred and assigned to the purchaser, including but not restricted to evidence in any legal action, signing all legal documents, making all necessary sworn statements, bringing all appeals, drawing up proxies and other legal documents. The Supplier should, at his own expense, keep free from liability and protect the purchaser from any claim, action or other procedure brought against the purchaser by a third party and based on the declarations that the work carried out by the supplier in fulfilling the purchase order constitutes a breach of patents, copyright, industrial secrets, confidential information or other intellectual property rights owned by the same third party. Without permission in writing from the purchaser, the supplier may not disclose or use, during the job with the purchaser, any secret or confidential information of other parties, or include in material to be delivered to the purchaser on the basis of the purchase order: a) any software, application, or parts or other materials subject to Intellectual Property rights owned by any party other than the purchaser; or b) any software, application or parts that depend for their operation on the use by the purchaser of a third party's Intellectual Property.

Advertising. The supplier should not make any declaration, or take or issue any photograph (apart from for in-house purposes in order to carry out the services and/or create the material to be delivered), and should not release any information regarding the purchase order or part thereof or regarding his business relations with the purchaser, to any member of the public, the press, society or other individual, except what is permitted by the applicable law, injunction or government order, without prior consent in writing from the purchaser. If the supplier believes that he is obliged by law or government authority to make any of the said declarations, the supplier should immediately notify the Purchaser thereof, and should co-operate with the Purchaser to ensure that they enjoy the utmost confidentiality.

CLAUSE 8 - PURCHASER'S PROPERTY

While the purchase order is being carried out, the tools, equipment or material of all kinds that may be provided by the purchaser to the supplier, or specifically paid by the purchaser, including any part to replace these or any extra material for them, shall be and remain the purchaser's property.

This material and, where feasible, each individual part thereof, should, however, be suitably marked by the supplier as the purchaser's property and should be stored safely, apart from the material belonging to the supplier.

The material that is the subject of ownership, while it is under the supplier's control, should be kept at the supplier's risk and cost for a sum equivalent to the cost of its replacement or loss and should be ready to be moved at the request in writing from the purchaser, and in this case the supplier should prepare this material for shipment and should return it at his own cost to the purchaser in the same condition in which it was originally received by the supplier, apart from reasonable wear and tear.

CLAUSE 9 - CREDIT ASSIGNMENT

Credit assignment, specific collection orders or other systems of delegation of payments are not permitted, without prior express approval from the purchaser.

CLAUSE 10 - HARMFUL PRODUCTS

The Vendor guarantees that the product cannot be classified (annex 1 directive 67/548/EEC) with the following hazard wording: R 45 "may cause cancer"

R 49 "may cause cancer by inhalation"

In the event of classification being made after the sale, he undertakes to notify immediately in writing the Health and Safety Department of G.L.F. turbine srl of this fact.

CLAUSE 11 - CANCELLATION OF THE CONTRACT

Cancellation for no specific reason. The purchaser shall be entitled to cancel the purchase order at any time, and should notify the supplier of this decision 30 days in advance. Upon cancellation, the purchaser and the supplier may negotiate possible cancellation costs which the supplier may necessarily have incurred as a direct result of the cancellation. These costs should be reasonable, justified and documented and should be considered as a single final compensation owed to the supplier as a result of the cancellation. From the moment payment of the cancellation costs is made by the purchaser, the right of ownership of the material supplied, including the manufactured goods and the production articles, as well as the relevant documents, already produced or in the course of production, shall be agreed between the parties, based on the contingent situation that may arise. For the period during which the above-mentioned material remains stored at the supplier's facilities, the supplier shall be directly liable for their preservation and safekeeping.

Cancellation due to supplier's non-fulfilment. Should the supplier not meet his obligations arising from the purchase order and these General Purchase Conditions (including the case of supply of faulty material, non-conformity of the material with the specifications given, delay in deliveries), the purchaser may, after giving notice of cancellation due to non-fulfilment, cancel all or part of the purchase order without any liability or payment of any cancellation cost, without prejudice to the material having been shipped and received within a reasonable period of time after said cancellation. The supplier should continue to fulfil the purchase order for any parts not cancelled.

Cancellation due to supplier's bankruptcy or insolvency. If a case of bankruptcy or insolvency is brought against the supplier, then the

purchaser shall be entitled, after giving notice of cancellation due to non-fulfilment, to cancel all or part of the purchase order without any liability or payment of any cancellation cost, except for the material, shipped and received within a reasonable period of time after said cancellation.

This clause must be understood to be in addition to any other right and remedy guaranteed by applicable law, including compensation for any documented damages that may have been incurred by the purchaser in relation to this clause.

CLAUSE 12 - SETTLEMENT OF DISPUTES

Italian suppliers. Any dispute arising in connection with the order, including any question about its existence, validity or termination, shall be settled, if possible, by negotiation between the parties. If a settlement cannot be reached by negotiation, then the dispute shall be finally settled by following the rules of arbitration set out in the Italian civil code procedures ("official arbitration") by three arbitrators appointed in accordance with the aforesaid rules. The arbitration shall be held in Italian and the arbitration court shall be held in Ancona (Italy). The arbitrators shall apply Italian law, excluding the legal regulations to the contrary. The arbitrators' decision shall be final and binding upon the parties.

Foreign suppliers. In the event of a dispute arising from, or in relation to, the contract, including any question on its existence, validity or termination, the parties should initially seek to settle this dispute by mediation, in accordance with the LCIA Mediation Procedure, which is understood for reference purposes to be an integral part of this clause. If it is impossible to settle the dispute by means of the mediation procedure within a period of 90 days from the appointment of the mediator, or within an other period of time agreed in writing between the parties, then the dispute shall be finally settled by arbitration in accordance with the LCIA Procedure, which is understood for reference purposes to be an integral part of this clause. The number of arbitrators shall be one and the arbitration court shall be held in Ancona (Italy).

CLAUSE 13 - SUSPENSION OF THE ORDER

The Purchaser shall be entitled to suspend the order, provisionally, with prior notice to the Supplier, wholly or in part if circumstances arise that determine a major alteration in the conditions that have led to this order being drawn up.

Upon receipt of the notice, the supplier shall immediately suspend execution of the work for the period stipulated, taking care to safeguard the works still being carried out and the material, supplies and equipment in his possession for carrying out the work.

The purchaser may, at any time, reverse the suspension, for all or part of the work suspended, by notifying the supplier, and specifying the actual date of reversal.

The supplier shall then continue to carry out the work from the date specified on the reversal notice.

CLAUSE 14 - CLEANING AND PROTECTION

Unless instructed otherwise, the materials that are the subject of this order, prior to shipment, should be suitably and correctly cleaned and protected by you in order to prevent damage to the tooled parts during the loading/unloading and transport operations, and to ensure that they are suitably preserved in normal environmental conditions.

Any liabilities and damages arising from incorrect cleaning and protection of the goods supplied shall be attributed to you and should be compensated by you.

CLAUSE 15- INSURANCE

The Supplier shall take all necessary precautions to avoid any damage to the Purchaser's personnel and property and/or those of third parties while carrying out the works that are the subject of the order and, apart from the case where such injuries have been the sole and direct consequence of negligence by the purchaser or his customers, it is understood that the supplier shall compensate and protect the Purchaser against any claim in any way caused by an action or omission by the supplier, his agents, employees or associate suppliers.

While carrying out the order, the supplier should take out at his own cost a general all-risk insurance, to the purchaser's entire satisfaction, and should, at the purchaser's request, provide the relevant certificate issued by his own insurer or insurers, confirming that insurance cover is valid.

The Vendor also undertakes not to cancel or alter the terms of the insurance, without prior authorisation from the purchaser.

Besides the above, the Vendor shall compensate the Purchaser for damages to persons and property arising from use and sale of the material, according to Italian regulations applicable with regard to insurance of goods sold.

CLAUSE 16 - CERTIFICATION

Every item of material supplied according to this order should be accompanied by a copy of the sole certificate required in the supply specifications.

All other possible certificates that, depending on the specification requirements, should be produced by you without also having to be sent to us, should be filed carefully by you and for a period of at least 5 years, and at our express request should be duly sent to us.

If in the supply specifications there is no item "documents to be sent to the purchaser" you should send us all the certificates required in the specifications.

The certificates should be drawn up in English or jointly in Italian and English, unless instructed otherwise in QCP and PRA.

The certificates should be stamped "true copy" and signed on the original by your quality control department, confirming that it is a true copy of the original.

In the case of materials shipped to the G.L.F. TURBINE plant, the certificates should be sent together with the materials, with a covering letter

in a sealed envelope address to the coll/arr department at the plant in Porto Recanati, and should be listed on the waybill accompanying the goods.

In the case of materials shipped to a site other than the G.L.F. TURBINE plants, the certificates should always be sent to the coll/arr department of the same plant.

All certificates sent should contain the following information:

- description of the item certified.
- order number, order status, G.L.F. TURBINE material code.
- design number of the part certified with an inspection list.
- job number (if any).
- G.L.F. TURBINE registration number (where applicable).
- cast number (where applicable).
- reference specifications for the method of performing checks and for assessing the results.

In the case of systems supply, the certificates should have a summarised list of the documents supplied.

The certificates should be drawn up in black ink and the quality of the copies should be such as to permit their reproduction, microfilming and optical scanning.

All certificates to be produced are for all legal purposes an integral part of the supply of this order.

Failure to send certificates may give rise to rejection of the materials shipped by you, and if, in our unquestionable judgement, the materials are similarly kept and used by us, the terms of payment of the relevant invoice shall start indisputably from the date of receipt of the missing documents.

In any case the supplier should inform the purchaser of the country of origin of each item of material supplied in relation to the purchase order.

If applicable to the specific case, the material supplied on the basis of the purchase order shall be accompanied by 2 copies of the 'Instruction and Maintenance Manual/s' required by the purchaser's supply specifications.

CLAUSE 17 - PAYMENT

The terms of payment are specified in the Purchase Order.

Payment shall be deferred in the case of any non-conformities or defects found by the purchaser in the material delivered. In this case, the start date for payment shall be from the date whereon the defects or non-conformities are corrected.

CLAUSE 18 - DOCUMENTS

One original and one copy of the invoices must be sent to the address stated on the purchase order. The following information shall be provided on the invoices: a) purchase order number with any relevant change; b) status number; c) purchaser's material code; d) relevant description, quantity and unit price; e) bank account number (ABI, CAB, CIN and IBAN code for Italian suppliers and those applicable from among the SWIFT, ABA, SORT, IBAN codes, together with the address of the bank, for foreign suppliers); f) supplier's code assigned by the purchaser; g) consignee of the material; h) delivery document number. Invoices not containing the above-mentioned details shall be deemed to be incomplete and returned to the supplier.

The invoice shall be subject to the tax conditions in force at the time of issue.

In the case of material sent to destinations other than those of the purchaser's plant/warehouse, a copy of the delivery documents should be sent to the purchasing department that issued the purchase order, for administrative purposes.

If the documents sent to the purchaser are found to be incomplete or not in accordance with the above instructions, the terms of payment of the relevant invoices shall start from receipt of the complete correct documents requested.

No additional cost shall be accepted without specific approval in writing from the purchaser.

All business correspondence should quote the Purchase Order number and be sent to the department placing the order, as stated on the purchase order, except for invoices/payment documents.

CLAUSE 19 - WORK PROGRESS REPORT

Until completion of the order, if requested, the Supplier undertakes to provide the supplies department issuing the order every fifteen days by fax a detailed work progress report.

CLAUSE 20 - PLANT ACCESS, MATERIAL INSPECTION

In order to permit the purchaser to inspect and test the quality of the material that is the subject of the purchase order, following notice to the supplier of such a request, the supplier should permit the purchaser and his representatives (and should obtain a similar right from any authorised associate suppliers) reasonable access to: a) all the sites where the material is produced or stored, and b) all the sites where the services are carried out.

Material inspection should be carried out only by the purchaser's personnel or those of another inspection organisation expressly appointed by the purchaser.

An inspection or check must be made at the supplier's plants or those of his associate suppliers. At no cost to the purchaser, the supplier should make available suitable buildings and provide assistance in order to guarantee the inspectors safety and comfort while they carry out their duties. The supplier shall permit the purchaser's representative or customer access to the premises used for carrying out the purchase order in order to check the status and progress of the production and to attend every inspection and check. This access shall not exempt the supplier from any of his obligations.

CLAUSE 21 - REPLACEMENT OF REJECTED ITEMS

The supplier undertakes to replace any items that may be rejected at the time of inspection and/or tooling and/or assembly due to defects attributable to the supplier himself within a maximum period of 10 days from the date of the letter giving notice of the rejection. This replacement should be made free at the destination site stated on the order.

CLAUSE 22 - FIXED PRICES

The fixed prices are understood to be frozen even if there are variations in the prices of materials and the cost of labour, for any reason or eventuality including Act of God, from the date of the order itself to complete fulfilment of the contract or its termination, with express waiver by you of recourse to the provision in articles 1467 and/or 1664 of the Civil Code.

CLAUSE 23 - INSPECTION - QUALITY CONTROL DIRECTIONS

1) Checks

Every individual section of the order should be checked by you in accordance with the technical documents required on the order, and it shall be your responsibility to ensure that you are in possession of them in a full and up-to-date manner; you shall be responsible for following the specific instructions in the Quality Control Plan (QCP) and the Additional Requirement Plan (PRA) for the items subject to these checks.

2) Arrangements for checks to be made at your plant

Following the checks you make as specified under point 1, you shall be responsible for arranging our initial inspection of each shipment, taking care to gather as much material as possible in relation to the final delivery dates. The arrangements should be sent by fax or e-mail at least three (3) days before the contract delivery date.

This fax should provide the following details:

- your in-house protocol number
- destination of the material
- order number and section
- number of attachments

The material may be shipped only after a reply by fax from the COLL/ARR department.

Checking operations by our personnel that, due to non-compliance with the above, have to be repeated or extended, may be charged to you.

CLAUSE 24 - GUARANTEE

The supplier guarantees that the supply in question operates correctly and, in any event, that the supply itself meets the features, standards and specifications agreed, that the materials used are free from flaws or defects and the design and manufacture have been carried out according to good working practice and state-of-the-art technology. The guarantee period is 18 months from the commissioning date and in any event not more than 24 months from the delivery date. New parts to replace damaged ones shall have

the same guarantee period as the original one, starting from the replacement date.

Possible approval for shipment by our inspectors or testers may not be considered to be releasing, nor shall it exempt you from the liabilities arising from the above-mentioned guarantee. Therefore, if during the aforesaid period the supply does not operate in accordance with the features, standards and specifications agreed, or displays flaws or defects or non-conformities attributable or referable to the materials used or to the design or manufacture carried out, you shall be obliged, at our choice and following our approval with regard to execution:

- 1) to replace the supply on-site, at your own responsibility and expense, with another identical one in accordance with the instructions contained on the order, or
- 2) to repair and return on-site without delay, at your own responsibility and expense, the faulty or incorrect supply; it is understood that we nevertheless reserve the right to:
- 3) finally reject the supply that does not conform to the instructions contained on the order, with resulting cancellation of the order itself attributable to you. In this case, you shall compensate us for all damages caused and you shall return to us the sums already collected.
- 4) to arrange directly, following prior notice to the supplier, to remove the defects and non-conformities. All the expenses and costs borne shall be reimbursed on initial request, without prejudice to our right to proceed to compensation with other sums for any item owed to you. In no case may you refuse or delay this reimbursement. All the parts repaired or replaced during the guarantee period shall have a further guarantee period identical to the original one.

Any part replaced or repaired under guarantee, if requested to be returned by the supplier, shall be sent back at the supplier's expense. In this latter case, any possible cost arising from reinstallation of the material, technically carried out by the purchaser, shall be debited to the supplier.

Any replacement, alteration or repair made by the supplier should be carried out within a preset period that should be agreed between the parties on the order or periodically on the basis of the individual specific case.

The guarantee shall cover all material provided by the supplier or by a third party in any way connected to the supplier.

The guarantee shall be extended to the purchaser, his successors, assignees, and users of the material.

This CLAUSE must be understood to be in addition to any other right and remedy guaranteed by applicable law, including compensation for any damages that are documented and may have been sustained by the purchaser in relation to this clause.

CLAUSE 25 - COMPLIANCE WITH LEGISLATION AND PURCHASER'S PROCEDURES

The supplier declares, guarantees and certifies that he will observe and comply with all laws and all regulations in force during fulfillment of the purchase order, including the legislative provisions issued by the European Community (as directives, regulations and orders) and to all national and local laws issued in the country where the intermediate and/or final delivery of the material will be made, insofar as they apply to the material ordered by the purchaser. Compliance by the supplier with the above-mentioned regulations should be made at the supplier's own cost and under his own responsibility.

Environment, Health and Safety (EHS). The supplier should comply with all the regulations governing health and safety in the work place, environmental quality, health and safety of workers, packaging, marking, shipping and documents on hazardous material. The supplier should comply with all the purchaser's procedures connected with the above-mentioned matters. Checks. The supplier may have to undergo periodic checks carried out in order to verify actual compliance with the purchaser's EHS regulations and procedures. Whether the supplier keeps the status of supplier shall also depend on the results of the above-mentioned periodic checks. The supplier should appoint a representative who has sufficient experience, with powers to manage the supplier's own personnel and able to guarantee safety during the work to be carried out. Specific information regarding the site shall be given by the purchaser in relation to the specific jobs that the supplier will have to perform. The supplier's personnel shall be equipped by the supplier himself with all the necessary tools to complete the works. Use of the purchaser's tools shall not be permitted, unless expressly agreed by the parties in writing. The supplier should provide suitable insurance cover for all his personnel on the sites indicated with cover for any accident/sickness arising from performance of the service. Notices to the Purchaser. The purchaser should be notified of any incident relating to EHS matters, connected to the supplier's operations carried out on the purchaser's sites or those of the purchaser's customer, or connected to the material provided by the supplier.

Chemical substances in the materials. The supplier guarantees that any chemical substance contained in the material sold or otherwise transferred to the purchaser is present on the list of chemical substances drawn up and published by the European Inventory of Existing Commercial Chemical Substances (EINECS) and subsequent amendments (and relevant regulations and standards), or on equivalent lists to be applied locally at the site where the materials are sent. In each case, the material sold or transferred to the Purchaser must not contain arsenic, asbestos, PCB (polychlorobiphenyls), PCT (polychlorotriphenils) or other chemical substances (copied from the Montreal Protocol). Every chemical substance or product supplied, used, shipped or in any way brought into the Purchaser's sites or those of the Purchaser's customer should be accompanied by a "Material safety certificate" (MSDS) in accordance with EU Directive 2001/58/EC. The Purchaser reserves the right to refuse permission to bring in chemical substances/products at his own discretion. The Supplier certifies that the material complies with the new EU directives, the Global Approach directives and the harmonised Standards, including all relevant national and local regulations.

EC Certification. The Supplier declares, guarantees and certifies that all the material stated on the Purchase Order shall comply with EU directives relating to product safety, including but not restricted to one or more of the following directives, where applicable: a) Machinery Directive (98/37/EC and subsequent amendments - with reference to this, the Supplier should send a certificate of conformity certifying the material's conformity, to be included in the certification dossier together with the instruction and assistance manual); b) Low Voltage Directive (93/68/EC and subsequent amendments); c) Atex 1 Directive (94/09/EC and subsequent amendments) and Atex 11 Directive (99/92/EC and subsequent amendments); d) Pressure Equipment Directive (97/23/EC and subsequent amendments); e) Electromagnetic Compatibility Directive (89/336/EC and subsequent amendments).

Export-Control. The Supplier should comply with all the regulations and laws applicable to matters of Export-Control. The Supplier should compensate and keep the Purchaser free from all liability with regard to complaints, claims, damages, costs, fines, penalties, legal bills and any other cost arising from the Supplier's non-observance of all the laws and regulations applicable with regard to Export-Control.

The Supplier's Personnel. The Supplier guarantees that during fulfillment of the Purchase Order: a) he will not person-nel in breach of laws on child labour; b) he will not use prisoners or people subject to hard labour; c) he will comply with all the regulations on immigration of all the administrative districts where his personnel will carry out the works; c) he will comply with all the regulations applicable with regard to workers' rights; d) no member of his personnel is or has been a criminal in any country in the world. The Supplier's personnel should never be considered to be an employee or in any way an agent of the Purchaser's and shall not be authorised to be part of any benefit or privilege granted by the Purchaser to his employees. The Supplier under-takes, at his own responsibility, to keep the Purchaser free from liability for any claim lodged by the Supplier's personnel or by others in relation to the

work carried out as specified on the Purchase Order. The Supplier acknowledges and accepts that it is his responsibility to provide and keep valid all the necessary permits and documents required in relation to fulfilment of the Purchase Order, including, but not restricted to, visas and passports for his employees. The Supplier should obtain all these permits, licences, visas and documents in advance, so as to avoid any delay. While fulfilling the Purchase Order, the Supplier should comply with all local regulations concerning insurance, social security and accident-prevention current at the site where the Purchase Order itself is carried out (see clause 14 on insurance). In cases of non-compliance with the above points, the Purchaser shall be entitled to terminate the Purchase Order without any further payment whatsoever.

Notification of irregularities. The Purchaser should be notified of any irregularity found by the Supplier while carrying out the Purchase Order. Failure by the Supplier to comply with the above-mentioned procedure may give rise to rejection of the supply.

CLAUSE 26 - CHANGES

Changes to the Purchase Order. The Purchaser is entitled at any time to introduce changes to the Purchase Order, in one or more of the following areas. a) designs, models or specifications, if the material to be supplied is produced expressly for the Purchaser; b) methods of shipment or packaging of the material; c) place and date of delivery; d) quantity of material supplied; e) quality of material supplied; f) features of the services. The Supplier should be notified of these changes and should be made in writing on a special document ("Changes to the Order"). If the changes made by the Purchaser to the Purchase Order involve an increase or reduction in the cost of the provision or the time required to fulfil the provision, the Parties may agree in writing a fair adjustment in the price or the delivery schedule, or both. This fair adjustment should include only the documented costs necessarily borne by the Supplier as a direct result of the change/s. Any request by the Supplier for adjustment as set out by the clause shall be considered to be waived unless it is submitted within 10 working days from receipt by the Supplier of notification of the change. Changes to the General Purchase Conditions. Any change made to these General Purchase Conditions should be in writing and the relevant document should be duly signed by authorised representatives of both Parties.

CLAUSE 27 - PROCESSING OF SUPPLIER'S PERSONAL DETAILS

The purchaser declares that all details subject to privacy law protection provided by the supplier in relation to fulfilment of the purchase order shall be processed for the exclusive purposes relating to fulfilment of the purchase order itself and in accordance with Act 675/96 of Italian legislation.

CLAUSE 28 - EEC COMMUNITY DIRECTIVES AND LAWS

The Vendor is obliged to observe the provisions of the directives issued by the EEC that apply to the supplies that are the subject of the purchase order.

In addition to the above, the Vendor, under his own responsibility, and insofar as they are applicable, should fulfil all the obligations set out in Italian law for the performance of supplies of materials and services.

CLAUSE 29 - APPLICABLE LEGISLATION

The purchase order, its clauses and general purchase conditions are governed, fulfilled and interpreted in accordance with Italian Law.