

GENERAL CONDITIONS OF SUPPLY - O.ZA.F. S.r.l.

Art. 1. Efficacy and Validity of the General Conditions of Supply

Supply of goods by O.ZA.F. S.r.l. (hereinafter denominated "OZAF" or "Supplier") is regulated by these General Conditions of Supply unless otherwise agreed in writing and countersigned by an authorized representative of OZAF.

OZAF will not accept any General Conditions of Supply prepared by the Purchaser.

In the case in which any or all of the terms and conditions set forth in these General Conditions of Supply be abrogated or derogated, the validity of the remaining provisions shall remain unchanged. Any behavior not consonant with one or more of these General Conditions, by either of the parties to the contract and whether a single occurrence or recurrent over time, shall not in any way or at any time affect OZAF's right to demand application and observance of these General Conditions.

These General Conditions are available for consultation at www.ozaf.it.

Art. 2. Validity and Efficacy of OZAF Offers

Offers by OZAF shall be valid for a period of thirty (30) days from the date of the offer.

The contract between OZAF and the Purchaser shall be considered finalized when OZAF receives notice from the Purchaser of acceptance of offer.

Art. 3. Manufacture of the Product

The products (hereinafter also referred to as "goods" or "equipment" or "machinery") commissioned by the Purchaser will be manufactured by the Supplier to the technical specifications set forth in the OZAF offer.

OZAF will commence production of the commissioned products only after having received from the Purchaser: a) notice of acceptance of the OZAF offer; b) advance payment of the amounts stipulated in the offer (if applicable); c) the samples and all other materials necessary for constructing the equipment.

OZAF pledges to complete production of the equipment ordered within 90 days of start of manufacture. Within this term, OZAF will communicate to the Purchaser that the order is ready for final (acceptance) testing.

OZAF pledges to inform the Purchaser in a timely manner should there arise any complications or in any case circumstances such as to delay manufacture of the equipment.

Art. 4. Order Variations

Any requests for modifications of and/or variations to the product as originally ordered must be agreed upon in writing. Should said modifications/variations entail corresponding variations in the costs and/or terms of supply of the order, the price and the date of delivery of the goods will be correspondingly modified. Any agreement concerning variations will not be considered finalized until the Supplier has accepted the specific modification of order document delivered by the Purchaser.

Art. 5. Conformity with Applicable Laws, Regulations, Codes, and Standards

The products that are the object of supply will be manufactured by OZAF in observance of all applicable Italian laws and regulations.

Unless otherwise agreed, the products that are the object of supply will be manufactured to OZAF production and quality standards.

Art. 6. Special Requirements – Noise, Sterilization, Fragility

The noise level guaranteed by OZAF refers to empty-running machinery (that is, containing no objects for processing).

The equipment will be constructed in conformity with applicable regulations, with particular reference to the "Machinery Directive" 2006/42/EC.

Unless otherwise agreed, the noise level of the machinery will be calibrated and estimated with reference to the OZAF plant parameters. Should excessive noise attributable to particular characteristics of the equipment and/or the objects it is designed to process be detected during manufacturing or testing, the Supplier will take all measures necessary to reduce said noise to acceptable levels, including

application of soundproofing; costs for this type of work will be charged to the Purchaser.

Should particular workarounds be required relative to noise levels and/or machine sterilization requirements and/or the fragility of the objects that will be processed by the machinery, the Purchaser must expressly request that the Supplier incorporate such features and must deliver samples to OZAF to permit the latter to evaluate the measures necessary for meeting Purchaser needs and to quantify the relative costs.

OZAF nevertheless reserves the faculty to refuse any Purchaser requests which it does not deem can be satisfactorily filled.

Barring specific requests, the machinery will be manufactured by the Supplier to in-house OZAF production and quality standards; the Purchaser consequently waives the faculty to raise any objections in this regard.

The Purchaser must specify to OZAF the type/s of sterilization and/or cleaning procedure/s to which the machinery will be subjected when in use (by way of example only, the Purchaser must indicate the type of washing and sterilization treatments the machinery will undergo, the temperatures and durations of said treatments, the sanitizing agent/s used during treatment/s, and how said agents will be applied/introduced). Lacking such information, OZAF cannot be held liable for deterioration, malfunction, or defects in the machinery that may derive from sterilization and cleaning treatments.

Art. 7. Samples

In order to facilitate OZAF in constructing the equipment in conformity with Purchaser needs, the Purchaser must deliver, at its own expense, a sample set of the objects the machinery will be used to process; the sample set must contain a quantity of objects corresponding to the quantity that will be processed during 60 minutes of continuous operation of the equipment.

Should an adequate sample set not be received, the Supplier cannot guarantee perfect equipment operation in normal use conditions. In this case, any and all subsequent work for adapting the machinery to the objects it is used to process will be at the Purchaser's expense.

Furthermore, the samples delivered by the Purchaser must be accompanied by appropriate technical documentation reporting: a) graphic representations (technical drawings); b) dimensions with tolerances; c) description of the materials of which the objects are composed.

The samples sent to OZAF must conform to the technical specifications reported in the accompanying technical documentation. In case of non-correspondence, OZAF cannot guarantee perfect equipment operation in normal use conditions. In this case, any and all subsequent work for adapting the machinery to the objects it is used to process will be at the Purchaser's expense.

OZAF guarantees correct equipment operation only in case of processing of the objects delivered as samples. The Supplier cannot, therefore, be held liable for equipment malfunctions caused by modifications to and/or substitution of the objects processed on the machinery; that is, if the processed objects are not conformant with the samples delivered as the reference sample set. In this case as well, any and all work for adapting the machinery to the objects it is used to process will be at the Purchaser's expense.

Should the machinery need be used for processing objects of different colors, the Purchaser must deliver a sample set, in the quantity specified above, for each color variant. If these samples are not provided, OZAF cannot be held liable for malfunctions and/or damage to processed objects of color/s different from the colors of the samples received.

Art. 8. Final Testing (Factory Acceptance Testing)

The equipment will be tested for acceptance at the OZAF plant in the presence of the Purchaser (or its authorized representative/s).

The testing conducted on the equipment with sample objects will be "open-ended"; that is, without the equipment being connected to other equipment, whether the Purchaser's or third parties'.

In the case in which the Purchaser does not attend the final testing appointment scheduled by OZAF, testing will nevertheless be conducted and documented in the relative test certificate.

In the case in which final testing should show the equipment to be non-conformant with the agreed-upon specifications, it shall be OZAF's responsibility to correct any defects found during testing in the timeframes to be established by the Supplier and communicated to the Purchaser, and in any case within the shortest possible time.

In the case the equipment passes final testing, it will be considered to have been definitively accepted by the Purchaser and ready for delivery.

Art. 9. Packing, Delivery, and Shipping

Following a positive final testing result, the products will be packed by OZAF, at the Purchaser's expense.

Product packing is standard unless otherwise specified. The costs and expenses for packing will be charged to the Purchaser in the amounts and manners stipulated in the offer. Special packing may be provided by prior request of the Purchaser confirmed in writing by the Supplier; such packing may incur extra cost to the Purchaser.

The products are delivered "EX WORKS" OZAF.

The Purchaser assumes all risks, charges and costs, expenses, and duties relating to shipping, including customs duties and fees if applicable.

Art. 10. Retention of Title

It is expressly agreed that ownership of the goods supplied shall pass to the Purchaser only at the time of settlement of the last installment of the purchase price; the Purchaser shall nevertheless assume all risks at the time of delivery.

Except by express written Supplier consent, any act or behavior by the Purchaser that may impair OZAF's right to repossess any machinery supplied by OZAF that has not been paid in full by the Purchaser shall incur Purchaser liability for compensation for damages, without prejudice to the applicability of any other sanctions provided by law.

Art. 11. After-Sales Assistance

Unless otherwise agreed in writing, the duties of OZAF deriving from the supply contract shall cease at the time of delivery of the goods to the Purchaser.

After-sales assistance, equipment startup, production-line commissioning, and, if applicable, final testing with the final user of the equipment (client of the Purchaser), shipment to any client of the Purchaser, as well as assembly of equipment, electrical and pneumatic linkups to other machinery, and assembly of components not of OZAF manufacture will be carried out under the responsibility and at the expense of the Purchaser.

The above-listed services may be provided by OZAF on request by the Purchaser and only on separate order and at the prices that will be communicated by OZAF at the time of request.

After-sales technical assistance by specialized OZAF technicians are excluded from the supply contract. Such work will be carried out only on separate order and at the prices that will be communicated by OZAF at the time of request.

Art. 12. Maintenance

After every 2900 hours of operation, the equipment must undergo periodic checkup and service by specialized OZAF personnel.

In order to guarantee correct equipment operation, conduct a comprehensive maintenance after every 3000 hours of operation or in any case at 12-month intervals from the date of commissioning of the equipment.

The maintenance work described above may be carried out by specialized OZAF technicians on special order and at the prices that will be communicated by OZAF at the time of request.

Art. 13. Prices and Payments

The prices quoted are exclusive of VAT unless specifically indicated.

The purchase price must be paid in the manners and terms set forth in the OZAF offer.

In case of late payment, the Purchaser shall incur interest on arrears ex Art. 5 of Legislative Decree 231/02.

Should the Purchaser not be up-to-date with payments, even if same are relative to previous orders, OZAF will suspend manufacture and/or not proceed with delivery of the goods.

Should the Purchaser fail to make even one of the scheduled payments at the agreed-upon due date/s, or should the Purchaser default on payment relative to another contract, or, in general, not fulfill other duties toward OZAF, the latter party shall have the faculty to suspend manufacture and/or delivery of the goods.

In case of delayed payment with delay in excess of 90 days, OZAF shall have the faculty to cancel the contract with immediate effect and to demand that the Purchaser pay compensation for damages and return any goods already delivered.

The Purchaser may, in no case or for whatever reason, may the Purchaser offset debits/credits and/or suspend payments due under the supply contract, except in the case that any counter-credit claimed by the Purchaser and/or non-fulfillment/breach of contract by OZAF have been expressly acknowledged by OZAF or established by the court.

Art. 14. Warranty

14.1 - Warranty. OZAF certifies that the machinery that is the object of the supply contract will be constructed in full conformity with the technical specifications included in the OZAF offer.

OZAF guarantees that the goods will be supplied free of manufacturing defects. The warranty period shall be twelve months from the date of delivery of the goods. The above-mentioned warranty shall apply to faults and/defects emerging during the warranty period and promptly notified, and shall be dependent on use of the goods by the Purchaser only in strict conformity with the instructions for use supplied by the Supplier.

14.2 - Invalidation of Warranty. In case of faults and/or defects in the goods, the Purchaser must, penalty invalidation of the warranty, make written notification to the Supplier of the existence of any such defects no later than 8 (eight) days from date of discovery and must immediately make the defective goods available to OZAF for repair. Failure to provide notification within the above-stated term will invalidate the warranty.

Failure to perform the maintenance detailed in Article 12 of these General Conditions will void the warranty.

14.3 - Remedies. Pursuant to notification as explained above, the Supplier will provide, in the shortest possible time, under its own responsibility, and at its own expense, for correcting defects covered by the warranty by repairing or replacing parts any defective parts. The Supplier's decisions in this regard shall be final.

Should the repair not be carried out at the OZAF plant, all additional expenses (for example, travel, room and board, and shipping) will be charged to the Purchaser.

The Supplier's duties under the warranty are strictly limited to activities of repair and/or replacement of damaged and/or defective goods/equipment manufactured by OZAF and therefore do not include disassembly and/or replacement of other parts and/or components with which the OZAF equipment is co-assembled.

Any parts of the equipment that are replaced must be delivered back to the OZAF plant within 15 days of replacement, by and at the expense of the Purchaser. If said parts are not returned or are returned later than the above term, the replacement work carried out by OZAF will be considered not covered by warranty and the Purchaser shall be liable for payment of the repair/replacement calculated on the basis of the OZAF prices and fees schedules.

14.4 - Spare Parts. Any spare parts covered by the warranty will be delivered EX WORKS (Incoterms 2000). The Purchaser shall be liable for payment of any customs duties and any other taxes, duties, and related fees or charges inherent to delivery of the spare parts. OZAF will supply all the instructions needed for permitting the Purchaser to install each spare part without assistance. Alternatively, by written request of the Purchaser couched as a separate order, OZAF can provide for sending its specialized technicians to perform spare parts replacement at the prices/fees that will be communicated by OZAF at the time of request; travel expenses, per diems, room and board, and transportation and shipping will be charged to the Purchaser.

14.5 - Conditions and Exclusions.

The warranties and remedies enunciated above are dependent on the equipment being correctly stored, installed, operated, and maintained, in conformity with the instructions for use provided by the Supplier.

OZAF does not guarantee its products and/or parts thereof against normal wear and accidental breakage/damage nor against faults and/or defects emerging, for example only, consequent to use of the machinery in particularly hostile environmental conditions, excessive operation at peak capacity, frequent startups, corrosion and deposits of material originating with fluids and/or accidental occurrences, breakdowns caused by Purchaser inexperience or negligence or during shipping/handling, poor materials storage/condition, failure by the Purchaser to take immediate remedial measures in case of malfunction, work on the equipment not authorized by OZAF, tampering by or on behalf of the Purchaser, unforeseen events/circumstances, or force majeure.

The OZAF warranty does not cover defects deriving from assembly and/or design/layout errors by the Purchaser and/or third parties.

The warranty does not apply to faults and/or defects emerging after repairs, replacements, tampering, or maintenance and/or assembly carried out by persons not authorized by OZAF.

The warranty does not cover electrical, electronic, and/or pneumatic parts.

Repair and/or replacement under warranty will be carried out on condition that the Purchaser be at the time up-to-date as concerns its duties. The Purchaser may not waive fulfillment of its duties in cases in which it has recourse to this warranty.

The Purchaser shall be held liable for remunerating, according to the OZAF prices and fees schedules, all work conducted pursuant to notifications of faults and/or defects that are not covered by warranty.

14.6 - Exclusivity. The express warranty explained above constitutes the sole and exclusive remedy against faults and/or defects in the goods manufactured by OZAF. Any other remedies provided by law and all effects deriving therefrom should therefore be considered inapplicable, including, by way of example only, termination of contract, reduction of price, and compensation for damage, as well as replacement of the goods with another product purchased from third parties.

Art. 15. Limitation on Liability

OZAF pledges to manufacture its equipment in conformity with the technical specifications set forth in the offer and shall not be held liable for defects and/or malfunctions of the plant/system/line in/on which the OZAF equipment will be / is put into service.

OZAF assumes no liability and cannot be considered in default of its contractual obligations should fulfillment of said obligations be directly or indirectly delayed or impeded by circumstances independent of its will and outside of its control, such as, by way of non-exhaustive example: acts/deeds, orders, actions, or omissions by public authorities, fires, adverse atmospheric conditions, earthquakes, strikes or labor disputes, floods, wars, epidemics, civil uprisings, revolts, delays in transportation service or non-availability of means of transport.

OZAF also assumes no liability and cannot be considered in default of its contractual obligations should fulfillment of said obligations be directly or indirectly delayed or impeded by actions or omissions of action by the Purchaser, such as, by way of non-exhaustive example: non-delivery / late delivery to OZAF of information and/or documentation and/or materials needed for performance of the supply contract, or failure to make payment for the supply within the agreed-upon terms. In case of delay by the Purchaser in the above instances, the date of delivery of the goods will be postponed by a period of time equivalent to the duration of the delay.

The Supplier's aggregate liability (contractual and extra-contractual) in regard of the goods supplied cannot in any case exceed the value of the supply contract. OZAF cannot be held liable in case of improper use of the goods supplied.

OZAF's liability ceases at the moment of expiry of the warranty period.

In no case may OZAF be held liable by the Purchaser and/or end user of the machinery (if applicable, client of the Purchaser) for damages deriving from loss of income or loss of profit, non-availability for use of equipment/machinery and/or systems, use or purchase of substitute machinery and/or systems, production stop due to loss of use, loss of production capacity and loss of orders, damage to corporate reputation/image, as well as any/all other type/s of damages that may constitute indirect consequences of failure by the Purchaser or end user to fulfill its obligations.

The Purchaser assumes full and exclusive liability for future circulation of the goods supplied by OZAF and agrees to release and forever discharge and hold harmless the Supplier from any and all liability, claims, and demands of whatever kind or nature from those of its clients with which it has established contractual relationships having as their object the goods supplied by OZAF.

Art. 16 . Withdrawal

On case of failure of the Purchaser to meet its obligations under the supply contract or in the case in which the economic conditions of the Purchaser suffer substantial variation, as in the case of one or more protests, protective (enforceable) procedures or precautionary measures, bailment and/or foreclosure procedures, declaration of bankruptcy, insolvency, cessation of activity, OZAF shall have the faculty to suspend manufacture and/or delivery of the equipment and to withdraw from the supply contract, with 7 days' prior written notice. In this case, the Purchaser shall pay to OZAF the amount due for the completed machinery as well as compensation for damages.

Art. 17. Industrial property and confidential information

The supply of ordered products shall not in any case imply the granting by OZAF of an exploitation licence to the Client concerning the intellectual property rights of these products.

All confidential information concerning the products supplied by OZAF and in particular the know-how, procedures, technical knowledge, industrial secrets, projects, technologies, drawings, models, technical solutions and innovations adopted for the implementation of the supply are and shall remain exclusive property of OZAF.

Such confidential information must not be disseminated to third parties and shall be treated with maximum diligence and confidentiality by the Client.

The Client undertakes to directly or indirectly use the forenamed confidential information the Client may gather during the contractual relation exclusively for the execution of the contract.

The Client also undertakes not to reproduce the products supplied by OZAF directly or indirectly.

In case of infringement of the obligations foreseen in this article, OZAF shall be entitled to request the immediate termination of infringing behaviours concerning the said obligations as well as compensation for the damages incurred.

Art. 18. Governing Law / Competent Court

The supply contract shall be governed by and construed in accordance with the laws of the Republic of Italy.

Any disputes arising between the parties in relation to the supply contract shall be resolved exclusively in the Court of Florence.

----- **Signature of the Purchaser**

In accordance with and to all effects of Arts. 1341 and 1342 of the Italian Civil Code, the Purchaser hereby states that it has read and expressly approves all the articles making up these General Conditions of Supply and, singly, the articles listed below:

Art. 3. (Manufacture of the Product); Art. 4. (Order Variations); Art. 6. (Special Requirements – Noise, Sterilization, Fragility); Art. 7. (Samples); Art. 8. (Final Testing); Art. 9 (Packing, Delivery, and Shipping); Art. 10. (Retention of Title); Art. 11. (After-Sales Assistance); Art. 12. (Maintenance); Art. 13. (Prices and Payments); Art. 14. (Warranty); Art. 15 (Limitation on Liability); Art. 16. (Withdrawal); Art. 17. Industrial property and confidential information; Art. 18. (Governing Law / Competent Court).

----- **Signature of the Purchaser**