

DE WAVE GROUP

DE WAVE GROUP, hereinafter De Wave or Purchaser, Registered office Via De Marini 1 – 16149 Genova, Italia - Tax code and VAT number 02206870996 -e-mail: info@dewave.it /www.DeWwaveGroup.com

GENERAL CONDITIONS OF PURCHASE

(Ed. March 2017)

Art. 1. Premises.

- 1.1 The General conditions of purchase set forth hereunder are an integral part of the orders awarded by Companies of De Wave Group to the Supplier and apply to the relevant relationships unless otherwise provided in the specific conditions of the order. These general conditions of contracting are available at www.DeWaveGroup.com. This English version is for reference only: the Italian version shall prevail.
- 1.2 References to laws and regulations of any type referred to in these conditions shall be deemed to refer to the provisions of such laws and regulations in force at the time of their application.

Art. 2. Contract procedures and execution.

- 2.1 The Supplier must accept the order within 10 (ten) days from the date of submission of the order itself by returning to the Purchasing Department a copy of the order and of the technical documentation duly signed on each page. De Wave has the right to cancel the order if the supplier does not accept it within such time frame.

The agreement between De Wave and the supplier will be deemed as executed only upon receipt by De Wave of such documents. The supplier shall not start performing the contract before having returned to De Wave the duly signed order, including the section relating to the specific acceptance pursuant to articles 1341 and 1342 of the Italian Civil Code, according to the procedures and terms set forth in these conditions or specified in the order itself.

No modification, addition or variation to the order or to these conditions made by the supplier, nor any General Conditions of the Supplier, shall be accepted and shall become part of the contract unless De Wave's written acceptance is received; acceptance of the goods does not constitute tacit acceptance of such clauses.

- 2.2 All the quantities, measures, types, prices or considerations and information of any kind listed by the supplier in the offer, and all the relevant technical and economic information acquired by the supplier during negotiations, either in writing or verbally, shall have the sole purpose of allowing the parties to attain a better understanding of the specifications of the

request or of the offer. The above information shall not be taken in any way as parameters or reference values for future and possible requests or monetary claims.

- 2.3 The Supplier will perform the works on the basis of the documentation attached to the order, well aware that such documents are, as they usual, subject to integration, modification and detail definitions with possible overtime. Any such changes are already included in the contractual amounts of the order. In case of inconsistency within a document, or between multiple revisions, the interpretation made by the Purchaser in writing shall be binding.
- 2.4 The supplier acknowledges that any modifications and/or changes to and/or issuance of orders shall be the exclusive responsibility of the Purchasing Department. The supplier shall never enter into negotiations or undertake binding engagements with parties other than the Purchasing Department. The Supplier, without any charges to De Wave, within the contractual obligations and the contractual technical documents, undertakes to make all those modifications and / or variations that shall be required to the full satisfaction and approval of the Customer and of De Wave. The Supplier also undertakes to execute any reduction or increase of quantities requested by De Wave and any changes De Wave deems necessary. The Parties undertake to mutually recognize the corresponding economic variations on the basis of the unit prices agreed.
- 2.5 The supplier must promptly communicate to the Purchasing Department all changes made to its corporate details, including e.g. if the tax position used for performance of the order is different from that of the registered office of the supplier or that communicated at the time of the order (e.g. permanent establishment in Italy).
- 2.6 The quantities in the order must be considered as binding. Materials that may be delivered in excess shall not be recognized in Supplier's invoices and shall remain available to the Supplier for collection for a maximum of 15 (fifteen) days. Beyond this period, De Wave shall be entitled to proceed with their destruction, and any expenses will be charged to the Supplier.

Art. 3 Place of delivery of the goods

- 3.1 Unless provided otherwise, the dispatch of the goods supplied shall be performed at the place of delivery at the care and at the expense of the supplier and under its responsibility in order to guarantee the full integrity of the goods and full compliance with the delivery terms mentioned in the order. The dispatch risks shall be in any case borne by the supplier. For the purpose of the timely delivery, the moment to be considered shall be when the goods arrive at the place stated in the order, subject to the positive acceptance.
- 3.2 The supplier shall give prompt notice of the dispatch to the Purchasing Department in charge. Every dispatch shall be accompanied by one copy of the dispatch note, including the references of the order, WBS code and the reference position of the order, and the package note, with the list of the goods contained and the related quantity and weight and all additional information provided by the order.

- 3.3 The delivery of goods is agreed to be done in accordance with the DDP clause (Incoterms 2010) for all goods coming from EU countries, or already released for free circulation in the EU, and with the DAP clause (Incoterms 2010) for all goods coming from non-EU countries or subject to custom constraints. In case of goods sold by EU suppliers and coming from EU countries other than Italy, the invoice must specify the combined TARIC nomenclature code.
- 3.4 In the case of non-EU goods not in free circulation, the invoices must be accompanied by the certificate of origin or by the EU certificate of free circulation of goods and/or by other certification required by the Law.
- 3.5 The goods must comply with applicable EU and Italian laws and regulations.
- 3.6 In all cases where the obligations above or those stated by the Law were not respected De Wave has the right not to take charge of the goods. In such cases they will be rejected and the associated risks, charges and expenses shall remain the sole responsibility of the supplier. Any expenses incurred by De Wave for the return of such goods shall be charged to the supplier.

Art. 4. Acceptance of goods.

- 4.1 The delivery of goods to the receiving personnel does not imply any acceptance, which will be given instead after the positive outcome of the verification of the conformity of the goods with the order and of the absence of defects. De Wave is entitled to report to the supplier, also after reception and regardless of whether the invoices have been paid, the presence of defects or the non-conformity of the goods with the order, in accordance with article 8. In such case, the supplier must promptly remedy the non-conformity and replace the goods with flaws or defects, having regard to the programming needs of the De Wave's work
- 4.2 Whenever the order foresees that the goods are to be installed, assembled or otherwise implemented, with a service that is additional to the supply of such goods, delivery will be deemed made only as of completion of the installation, assembly or implementation. If such services do not ensure the full functionality of the goods, as provided in the order, the rules set out in clause 4.1 shall apply.
- 4.3 Whenever the order foresees that the goods are to be delivered separately, it is understood that the order is deemed fulfilled only after its integral execution. With regard to individual delivery terms, the rules set out in art. 5 shall apply.
- 4.4 Any part of the supply made by the Supplier, including drawings, whether at its site or at its third party suppliers or on the way, shall become the exclusive property of the Purchaser at the time of the first payment, without prejudice for Purchaser to pay the following contractual payments in due time in accordance with the contractual terms.
- 4.5 Nevertheless, any charges, expenses, and / or damages related to the supply shall remain at Supplier's risk and shall be borne by the Supplier until the ship is delivered to the Ship Owner.

Art. 5. Delivery terms. Liquidated damages

- 5.1 The delivery time of the goods, both final and intermediate, which has been agreed and specified in the order and in any other contractual documents, is of the essence and is to be considered mandatory. Nevertheless, if the supplier expects a possible delay in delivery, it shall immediately inform De Wave.
- 5.2 De Wave has the right to suspend partially or totally, at any time, the delivery with a notice of at least 24 hours; the Supplier shall not be entitled to additional rights beyond the contractual price.
- 5.3 In case of a breach of the aforesaid terms that is not justified by force majeure, or if the supplier gives no evidence it is not responsible for the delay, liquidated damages shall be applied for an amount of 5% of the total consideration provided in the order for each week, or portion thereof of delay up to a maximum of 20% of the above consideration, unless otherwise agreed in the order itself. Should the amount of liquidated damages reach the maximum provided for in the order, De Wave may declare the contract terminated and shall be entitled to the liquidated damages already accrued and to compensation for any further damages.

Art. 6. Surveillance rights.

- 6.1 De Wave, also together with the Customer and the Ship Owner, has the right to verify, through its Purchasing Department and other relevant functions, the performance of the order at all stages including organizational, design, procurement, manufacture.
- 6.2 Without prejudice to its liability arising therefrom, the supplier shall give to the delegates of De Wave and of any of its Customers free access to its premises and plants as well as its sub-suppliers' ones, in order to check the progress and quality of works necessary for the performance of the order. Such delegates may perform all analysis and tests deemed appropriate in order to verify that the goods supplied comply with the conditions of the order.

Art. 7. Technical Documentation.

- 7.1 The supplier undertakes to deliver to the Technical Department of De Wave in charge all the technical documentation relating to the supply within the terms provided in the order.
- 7.2. In the event of non-delivery of the relevant technical documentation within the terms provided in the order, the supplier shall be liable to liquidated damages equal to 0.05% of the total consideration provided in the order for every day of delay up to a maximum of 4%.

Art. 8. Warranty

- 8.1 The supplier guarantees to De Wave that it will duly perform the supply, as for both compliance with technical data and operation requirements, and for the quality of the materials used, processing and operation of each of its parts and of the whole set.
- 8.2 The above guarantee shall expire after 24 (twenty-four) months from delivery of the ship to the Ship Owner by the Client.
- 8.3 For the purpose of the above mentioned guarantee and upon specific request by De Wave or by the Client, the supplier shall intervene, immediately or in any case after no later than 10 (ten) working days, or within the shorter required time frame, in the Production Units of De Wave or of the Client or elsewhere, and to repair or replace at its own cost and as quickly as possible any goods with any defects or deviations, provided that they are reported within 60 days from the moment of their discovery, notwithstanding article 1495 Civil Code.
- 8.4 The parts repaired or replaced shall be guaranteed at the same conditions as for the supply in paragraph 1, for a period equal to that under paragraph 2 and starting from delivery of the repaired or replaced part.
- 8.5 Should the supplier fail to eliminate the defects or deviations within the stipulated terms, or for urgent needs, should be necessary to intervene before the report to the Supplier, De Wave shall be entitled, without prejudice to any other of its rights, to take action in this regard directly or through third parties, without further notifications, and to charge the related expenses and any further damages to the supplier in default.
- 8.6 Should De Wave be held accountable for the defects, regardless of when they become apparent, of a product performed by the supplier or by its sub-suppliers, De Wave will have a right of recourse against the supplier.
- 8.7 The supplier shall guarantee that the supply does not become obsolete for a minimum of 10 years from the date of delivery of the ship to the Ship Owner. Consequently, during this period the supplier shall provide all the assistance and spare parts required under the economic conditions agreed in the Order within 24 months, and at reasonable economic conditions to be agreed with De Wave throughout the whole period (10 years after delivery of the ship to the Ship Owner)

Art. 9 Safety of substances / mixtures / products / materials.

- 9.1 The supplier expressly warrants to De Wave that the materials provided comply with all applicable rules on product safety, in particular with reference to compliance with the provisions of EC Regulation No. 1907/2006 (REACH), EC Regulation no. 1272/2008 (CLP) and Italian Legislative Decree no. 81/08.
- 9.2 With reference to Title IX – “Dangerous substances” of Italian Legislative Decree no. 81/08, regarding protection from chemical agents, carcinogens and mutagens, all the products and materials supplied/used – whose composition includes substances or mixtures classified as chemicals by applicable law or that, although not classified as dangerous, may pose a risk because of their chemical-physical, chemical, chemical-technological characteristics – must

be provided together with a list of the products and materials containing chemicals that make up the subject of the order and/or that will be used at the Production Units (directly or through sub-suppliers, if any) and the related safety data sheets prepared in accordance with applicable law.

- 9.3 The safety data sheets must be delivered or sent in electronic form when entering the goods in De Wave areas.
- 9.4 If for any reason, or also at the request of De Wave, after the issuance of the order and prior to the delivery of the goods and/or the start of the works, the products and materials listed in the order were to be replaced and/or modified so as to change their “classification for the purposes of labor and environment risk assessment” (Classificazione ai fini della valutazione dei rischi lavorativi e per l’ambiente), with particular reference to the “Hazard Statements” H340 (ex R46; ex R47), H341 (ex R68), H350 (ex R45), H350i (ex R49), H351 (ex R40), H360D (ex R61), H360F (ex R60), H362 (ex R64), H370 (ex R39) and H372 (ex R48) according to EC Regulation 1272/2008, the supplier shall transmit to De Wave in advance and promptly, and in any case at least sixty (60) days before the date of delivery of the goods and/or the start of the works, the updated list of the products and materials containing chemicals and the safety data sheets of the new products included in the list, together with any update to the safety data sheets already provided.
- 9.5 By signing the order, the supplier represents and warrants that all the activities required, connected or associated with such order, including any warranty services, will be carried out using ready-to-use materials that are not classified as carcinogens and mutagens with “Hazard Statements” H340 (ex R46; ex R47), H350 (ex R45) and H350i (ex R49).

Art. 10. Asbestos-free products and Hazardous materials declarations.

- 10.1 Notwithstanding the provisions of art. 9 above, the Supplier must fill out the form "Declaration and Confirmation of Non-Asbestos Products", Annex 1, stamped and signed in original by the Legal Representative. Such document must be sent together with the order confirmation in original.
- 10.2 Together with the order confirmation, the Supplier must also fill out the MD Form, Annex 2. or issue on headed letter a stamped and signed statement in original by the legal representative that the supply does not contain hazardous materials.

Art. 11. Pices.

- 11.1 The prices mentioned in the order are to be considered as fixed-prices and not subject to any revision until complete execution of the order, irrespective of the provisions of article 1467 of the Italian Civil Code. Prices are agreed to be inclusive of dispatch, transport and packaging costs and any other charges, costs or expenses.

Art. 12 Payments.

- 12.1 Payments shall be made by bank transfer within 90 (ninety) days from the delivery of the goods upon presentation of the invoice, formally and materially correctly issued. Payment of invoices does not constitute proof of acceptance or compliance of the supply they relate to.
- 12.2 Invoices and credit notes shall be addressed to:
De Wave S.r.l.
Via De Marini no. 1
16149 Genova
Tax code/VAT no. IT 02206870996
- 12.3 The number of the order and the code of the Supplier must be clearly specified on the invoices and in all other documents that the Supplier will issue related to the order.
- 12.4 The supplier undertakes to promptly communicate in writing its current account number as well as the data of the bank where the account is open, and to timely notify any relevant variation.
- 12.5 Each invoice must be referred to a single order.
- 12.6 The invoices must be received within the 20th day of the month following the date of issue. They may be sent by means of .pdf file by email at fornitori@dewave.it or, alternatively, to Fax no. 010 64020999.
- 12.7 The supplies performed by national operators or foreign operators by means of an Italian VAT position or a permanent establishment in Italy must be invoiced indicating the VAT regime applicable and are subject to stamp duty when due according to the regulations in force.
- 12.8 The suppliers having a Declaration of intent (Dichiarazione di intento) are required to use it by adding the following wording to the invoice: "Operation not subject to VAT pursuant to article 8, first paragraph, let. c) of Presidential Decree no. 633 of the 26th of October 1972", indicating the details of the declaration of intent, or the different regime based on the applicable Law;
- 12.9 The supplier acknowledges that should the documents necessary for the payment be incomplete, incorrect, inconsistency, De Wave may at its sole discretion, reject such invoices. In no event the failure to formally reject an invoice can be deemed as an acceptance of such invoice or of the supply.
- 12.10 Any costs which De Wave may incur as a consequence of defects, errors and omissions in relation to the documentation submitted by the supplier (invoices, transport documents, certificates of origin, etc.) shall be borne by the supplier.
- 12.11 The Supplier hereby authorizes the Purchaser to withhold from the payments, for precautionary and / or off-setting reasons, also beyond the certainty, liquidity and collectability requirements as per Law, the amounts charged to the Supplier as penalties and / or Compensation, on other contracts between the same parties as those to which those payments refer.

Art. 13 Termination clause.

13.1 De Wave, at his sole discretion and without prejudice to its right to claim for all related, connected and consequential damages, has the right to terminate the contract pursuant to art. 1456 Civil Code by written notice sent to the Supplier if any of the following events occur:

- . delay that may lead to a postponement of the delivery of the goods of over three weeks or the maximum amount of liquidated damages has been reached;
- . If it appears that the Supplier does not perform the work properly and / or not according to De Wave directives;
- . change in Supplier's ownership, even due to inheritance;
- . any event of significant default or any event decreasing De Wave confidence in the correct performance of the Supplier;
- . sale of a credit or of the contract;
- . Revocation of the Client's authorization to use the Supplier;
- . any other case of significant default;
- . conviction or investigation for a violation provided by Legislative Decree 231/2001 for which the Supplier is charged;
- . force majeure that protrudes for more than 30 consecutive days according to Art. 23.

13.2 In such events, De Wave reserves the right to request direct, indirect and consequential damages to the Supplier and any loss of profit resulting from the termination of the order and without prejudice to possible contractual liquidated damages.

13.3 The Supplier shall hold harmless and indemnify De Wave against any losses, liabilities, and claims from Client or from the Ship Owner and arising out of or relating to the termination for any of the above-mentioned reasons, except for force majeure.

Art. 14 Withdrawal.

- 14.1 De Wave, at its sole discretion, any time or for any reason, may withdraw from the contract in whole or in part or reduce its scope of supply, both before the its start or during the performance by written notice to the Supplier.
- 14.2 After proper inspection, De Wave shall pay for the supply correctly performed, even partially, prior to the notification of the withdrawal, according to the amounts stated in the order, as well as the proven costs incurred and due to the withdrawal.
- 14.3 The Supplier waives to claim for any compensation for any indemnity, including direct, indirect, consequential damages, loss of profit included, that are related to the scope of supply not performed.

Art. 15 Financial Guarantees.

- 15.1 The supplier acknowledges that De Wave may request suitable guarantees from third parties to cover any advance payments, the quality and operation of the scope of supply and performance of the guarantee obligations to which the supplier is bound.

Art. 16 Assignment of the order.

- 16.1 The supplier shall not assign the order, not totally nor partially.

Art. 17 Credits assignment.

- 17.1 The supplier shall not assign, including under a factoring contract, the credits accrued and that may accrue from the order.

Art. 18 Prohibition of Publicity.

- 18.1 The supplier shall not engage in any form of publicity making reference to any supply made to De Wave.

Art. 19 Patents.

- 19.1 The supplier fully guarantees to De Wave the goods supplied have not been and shall not be produced in violation of patent rights of any kind and belonging to anyone. If a claim related to the alleged violation of patent rights on the subject matter of the order were brought against De Wave before a court, the supplier shall appear before such court, and hold De Wave harmless from any further consequences, both financial and non-financial.

Art. 20 Contract amendments.

20.1 Any amendment to these conditions and to the specific order conditions must be in writing and signed both by De Wave and by the supplier, or it shall otherwise be null and void.

Art. 21. Confidentiality.

21.1 For the purposes of this Article, "Reserved Information" means any information, knowledge, plan, know-how and, in general, any news of a technical, economic, commercial or administrative nature, as well as any design, document, electronic file or sample of material or product provided to the Supplier for the performance of the contract.

21.2 The supplier agrees to keep the Confidential Information strictly confidential, to ensure its secrecy and to use it for the sole purpose of performing its obligations under the order. The supplier undertakes not to disclose, circulate or communicate Confidential Information, even after termination for any reason or completion of the order, for any reason or in any manner to any third party and to take all necessary and appropriate measures and precautions to prevent unauthorized access, disclosure and unauthorized use of Confidential Information.

Art. 22. Code of Conduct and Organizational and Control Model

22.1 The supplier undertakes to comply with the principles of the Code of Conduct and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 adopted by De Wave, published and publicly available on the website www.DeWaveGroup.com. In case of breach of the above by the supplier, De Wave may terminate the contract without prejudice to any other action before any judicial authorities.

Art. 23. Force Majeure.

23.1 In any case of force majeure whatsoever which the parties are not able to foresee using due diligence, the parties shall be entitled to request the suspension and the restart of the contract execution within a term to be determined by mutual agreement.

23.2 Events of force majeure include wars, riots, sabotage, epidemics, explosions, fires, natural disasters, restriction in the use of energy, general lack of raw materials or other essential elements for production, embargoes, countrywide strikes called by trade unions to which the parties belong, injunctions from civil and military authorities if not due to supplier's responsibility, and any other element that may not be predicted using due diligence.

23.3 In the events referred to in the paragraph above, delivery terms shall be extended for a period corresponding to the working days lost due to occurrence of the aforementioned force majeure events.

23.4 The party who is not able to perform its obligations or to receive the other party's performance due to a force majeure event, undertakes to notify to the other party (to the Purchasing Department for the supplier), within 7 (seven) days from the occurrence of said

event, the date on which it has occurred and the date on which it presumably shall cease its effects.

23.5 Should the occurrence of force majeure events delay the progress of other works already scheduled in close association with the delivery of the goods affected by such events, the supplier shall take any action and apply all remedies necessary in order to minimize such delay to any extent possible. In the event of negligent omissions by the supplier, any additional cost De Wave may bear, shall be entirely charged to the supplier, without prejudice to the right to compensation for any damages suffered by De Wave.

23.6 Should the events of force majeure continue for more than 30 (thirty) days, the parties shall be entitled to consider the order as terminated according to the procedures set forth in article 13 hereof.

Art. 24. Applicable Law – Disputes resolution.

24.1 These general conditions and the particular conditions of the order shall be governed by the laws of Italy, without reference to international civil law rules and to any other sources of law not expressly mentioned herein.

24.2 All disputes arising out of these general conditions and the particulars of the order and their execution shall be referred to an Arbitration Board composed of three arbitrators. Each Party shall appoint an Arbitrator, and the Third Arbitrator, who shall act as Chairman, shall be nominated by the two arbitrators and, in the event of disagreement or inertia, the nomination shall be made by the President of the Court of Genova.

The arbitration shall take place in Genoa.

The language of the procedure shall be Italian.

The Arbitration Board will decide within 30 days according to the law and in accordance with art. 806 ss. Code of Civil Procedure. The decision shall be final pursuant to art. 829, co.3 Code of Civil Procedure except in the event of breach of the rule of law relating to the object of litigation. In such case, the Court of Appeal shall decide the dispute according to art. 830, co. 2, Code of Civil Procedure. Such territorial jurisdiction shall not be waived even for reasons of connection or contiguity.

Art. 25. Environmental Policy.

25.1 By virtue of its environmental policy, De Wave prefers Environmentally Friendly Suppliers.

Art. 26 Mancato esercizio

26.1 Failure to enforce any of the opportunities or rights given by the contract and the General Conditions may not be considered as waiver of such rights and may not result in forfeiture.

Place/date

Signature

According to Artt. 1341 e 1342 Civil Code, the supplier declares he read and specifically approves the following articles: 2 Contract procedures and execution; 3 Place of delivery of the goods; 4 Acceptance of goods; 5 Delivery terms. Liquidated damages; 7 Technical Documentation; 8 Warranty; 11: Prices; 12 Payments; 13 Termination clause; 14 Withdrawal; 15 Financial guarantees; 16 Assignment of the order; 17 Credit assignment; 18 Prohibition of publicity; 22 Code of Conduct and Organizational and Control Model; 24 Applicable Law – Disputes resolution.

Signature