

**THE ROCKS s.r.l. GENERAL TERMS AND
CONDITIONS OF PURCHASE**

1) Validity of the General Terms and Conditions of Purchase

These General Terms and Conditions of Purchase and the specific conditions set forth in this order govern the procedures and terms whereby The Rocks s.r.l., having its registered office in Milan in Via Washington n. 13, VAT n° 08567430965, hereinafter “*The Rocks*” and its Affiliate Companies, purchase the goods and/or services, hereinafter the “*Activities*”, forming the subject of the order, from the vendor indicated therein, and no other provision, unless provided for under the same conditions, shall be binding on the The Rocks. These general terms and conditions and the particular conditions set forth in the specific order supersede, annul and override any other terms and conditions and the Vendor’s general terms and conditions.

2) Definitions.

“*Affiliated Companies*” means: companies directly connected to The Rocks s.r.l. by reason of the fact that The Rocks s.r.l. has a shareholding in them. “*Activities*” means: the provision and supply, including on a non-continuous basis, by the Vendor, of various types of service or otherwise the provision and production of goods and services including dedicated goods and services.

“*Orders*” means: purchase orders issued by The Rocks

“*Parties*” means The Rocks and the Vendor.

3) Automatic delivery and termination.

The delivery terms set forth in the order are binding and refer to arrival at the place of destination. Any delays and/or discrepancies in planned deliveries shall constitute grounds for legally terminating the purchase agreement (article 1456 of the civil code), without prejudice to The Rocks’ right in any case to accept delivery in cases where it still wishes to receive the goods or the services forming the subject of the purchase order. In all cases, The Rocks is entitled to freely exercise its right to claim for damages suffered due to any delay or otherwise to apply any penalties provided for in the order.

4) Delays caused by force majeure.

Prior to the expiry of the agreed delivery terms, should cases of force majeure occur, the aforementioned delivery terms shall be extended, without prejudice to The Rocks right to refuse the services or goods when, at its final discretion, it is not in The Rocks’ interest to receive the goods or services. In such case the Vendor shall be under an obligation to return such sums as it has already received by way of advance payment in addition to all else consigned to it with regard to fulfilment of the order. Natural disasters, wars, government restrictions in accordance with law and national strikes lasting over 20 days shall be deemed to be causes of force majeure. The Vendor undertakes to promptly give notice in writing when such impediments arise.

5) Payments.

The prices agreed are fixed and may not be increased, whatever changes occur to the prices of the goods or services provided and to the costs of labour up until the moment of delivery of the goods or provision of the

service. The above excludes adjustment of prices pursuant to article 1664 of the civil code. In all cases of breach by the Vendor, including defective or delayed provision of services, delays in delivery or delivery of defective goods, The Rocks shall be entitled to withhold payments due to the Vendor, without any interest accruing, until such time as the Vendor remedies the breach or otherwise provides sufficient guarantees as to its ability to fulfil the terms of the orders.

6) Assignment of the order and receivables – Prohibition. The Vendor is expressly prohibited from assigning to third parties the Order as per these General Terms and Conditions and the receivables arising from same and the Vendor is also prohibited from granting power of attorney to collect same.

7) Prohibition from Subcontracting.

7.1. The Vendor is expressly prohibited, unless expressly authorised by The Rocks, from subcontracting or outsourcing, even partially, production of the Goods and/or provision of the Services commissioned by The Rocks. In all cases, outsourcing part of the Activities to third parties is contingent on The Rocks providing specific, prior written authorisation, and on the third party signing a specific undertaking to comply with any and all of the provisions of these conditions pertaining to it. With regard to the above, the Vendor shall provide The Rocks with the name and address of the third party, including the type and extent of Activities which the Vendor intends to outsource to it, its general situation and the risk of any possible conflict-of-interest. The Rocks reserves the right to request and assess the documentation, prior to granting authorisation, demonstrating that the third party fulfils all requirements and that it possesses the technical, economic and financial skills.

7.2. At any time, The Rocks is free to assess the aforementioned requirements relating to the third party’s technical, economic and financial skills, and should it find that these skills are lacking, even partially, The Rocks shall be entitled, at its own final discretion, to revoke authorisation granted, either entirely or partially. In this latter case, revocation of authorisation, when reasons are not provided, may not entitle the Vendor to request indemnification and compensation or to justify delays or any failure to meet the delivery terms indicated.

7.3. In the event that the Activities are outsourced to third parties, The Rocks shall in all cases remain extraneous, in every capacity, to the relations between the third party and the Vendor, which shall continue to incur full, exclusive liability for the services provided, and for accurate, scrupulous compliance with all related contractual obligations, including, inter alia, the delivery terms.

7.4. The Vendor undertakes to indemnify and hold The Rocks harmless from and against all actions or complaints brought against it by subcontractors and third parties.

8) The Vendor’s obligations and warranties.

In the event of goods or services provided on a continuous basis or contracting out, including of services, in accordance with article 13 ter of law decree 83/2012 turned into law n° 134 of the 07/08/2012, creating new obligations to verify correct compliance with mandatory

tax procedures by contractors and subcontractors with regard to payments to the Revenue Authority of withholding tax on income from salaried employment and VAT, the Vendor undertakes to send to The Rocks, on a monthly basis, all self-certification drawn up in compliance with the provisions of article 21, paragraph 2, of Presidential Decree 445/2000 and containing instructions in accordance with the official memorandum issued by the Tax Authority 14/E of 08/10/2012. The documentation must certify VAT and income tax declaration payments made and must be received by The Rocks within the 20th of every month. It is agreed that until such time as this documentation is delivered, payments due by virtue of outstanding order/s shall be suspended. In all cases, the Vendor undertakes to indemnify The Rocks and hold it harmless, including after termination of the Activities in respect of any termination, withdrawal or winding up, on any grounds, of the relationship, with regard to any claims made, such as, by way of non-limiting example, failure to make payments of salaries to workers, contributions, insurance and social security payments due in accordance with laws applying to the personnel of both parties and any third party plaintiffs involved by same directly, which may be filed either in both judicial and extra-judicial fora by the personnel used by each one and/or by any third party plaintiffs, by social security bodies, tax levying bodies or any third party as a consequence of performance of the agreement and with regard to application or failure to apply applicable laws.

9) Confidential information.

9.1. All information howsoever provided and/or collected by the Vendor with regard to performance of the Activities, shall not be used for any purposes other than those contemplated by the order, or distributed or disclosed to third parties without The Rocks' prior written consent, barring cases in which (i) the Vendor must fulfil regulatory or legal obligations or requests made by Italian or foreign authorities which it is unable to refuse, or otherwise (ii) should this information already be in the public domain or should it have entered the public domain for reasons other than breach of the confidentiality obligations established hereby.

9.2. The Company undertakes to inform its own employees and all those who, on any grounds, work or have worked on fulfilment of the order, of the confidentiality obligations referred to in this article and to ensure that they are complied with.

9.3. Following conclusion of the Activities, the Vendor undertakes to:

- (i) promptly destroy all copies of documents containing the information and to confirm to The Rocks Club that they have been destroyed; or, if otherwise requested by The Rocks, to
- (ii) return all copies of documents in its possession containing the Information.

9.4. The provisions and prohibitions set forth in this article shall remain operative for 3 (three) years after termination of the Activities or after possible termination, withdrawal or winding up, for any other reason, of the relationship.

10) The Vendor's intellectual property and assignment of same.

10.1. The Vendor warrants and represents that the Activities provided, related components, accessories and (if applicable) the use of the Activities provided (whether processed directly by The Rocks, or indirectly by third parties on behalf of The Rocks) do not entail infringement of exclusive third-party industrial or intellectual property rights, and the Vendor undertakes to promptly settle any claims brought by third parties which claim that their industrial or intellectual property rights have been breached on the grounds of possession or use, depending on the situation, by The Rocks through the Activities provided, and the Vendor undertakes to indemnify The Rocks from and against such claims.

10.2. Without prejudice to other written agreements, the Vendor waives the right to assert any industrial property rights in respect of the Activities whose related rights are assigned to The Rocks by signing these terms and conditions at the price indicated in the purchase order, against The Rocks – its successors in any capacity and also the business unit or part thereof, its clients and licence holders (and also the latter's subsequent clients and licence holders).

The Vendor expressly warrants and represents that it has full title to all documents, material, data and technological information used for performing the Activities and declares that it assigns to The Rocks all related rights pertaining to intellectual property.

10.3. The Vendor herewith acknowledges and warrants that The Rocks shall have sole title to property rights and utilisation relating to the Activities in addition to all other service marks, works, materials and/or information (such as by way of non-limiting example, names, texts, slogans, artistic and figurative works, presentation outlines and materials, audio and audio-visual productions and creativity in general).

The Rocks shall acquire the latter from the time when they are created and accepted and may use them in any form and manner, whether original or derived without any restrictions in terms of time-frame, frequency, procedures and space, also by means of assignment or total or partial licences to third parties in any part of the world, with no need for authorisation by the Vendor, which is hereby deemed expressed and confirmed, also in the event of early termination, on any grounds, of the Activities.

10.4 In this regard, the parties mutually acknowledge that The Rocks shall be deemed the sole holder of rights to file any applications with relevant national, European Community and/or international authorities, to ensure protection of industrial and/or intellectual property rights (patents for inventions, ornamental models or utilities, trade dress, creative works etc) in addition to the related drawings and/or sketches, and any other material or immaterial property developed during performance of the Activities, consequently obtaining the protection provided for under applicable laws.

In this regard, the Vendor warrants and represents that, with immediate effect, it is ready, if deemed necessary, to provide The Rocks with all documentation which serves

or is necessary for obtaining the aforementioned industrial and/or intellectual property rights.

10.5. Should the Vendor use copyright or any third-party rights for performing the Activities, it undertakes to obtain the appropriate authorisation or user licenses from the legitimate owners, paying all related charges and indemnifying The Rocks and expressly holding it harmless from and against all complaints which the third party may file against it.

10.6. Unless expressly brought to the attention of the Vendor, prior to finalising the agreement, the Activities are deemed free for export to the place/country indicated in the order delivery form.

11) Insurance.

At its own expense, the Vendor shall take out a suitable insurance policy to cover against any loss or damage caused by provision of the Activities by its own personnel and/or by third parties engaged by the Vendor. If requested, the Vendor shall deliver a copy of the insurance policy to The Rocks, showing the value insured for events, which is deemed commensurate with the value of the Activities being commissioned.

12) Quantity warranty.

The Vendor warrants and represents that the quantity of Activities provided corresponds to the contents of the Orders. Should the quantities delivered fail to comply with the quantity agreed, The Rocks may, at its discretion:

- (a) accept the quantities actually delivered and, in proportion, make changes to the quantities of any subsequent deliveries;
- (b) ask the Vendor to collect any amounts in excess of the amount ordered, with the right to return them directly at the Vendor's own expense and to charge the Vendor for all financial costs arising as a consequence of any payments already made in addition to storage costs should the Vendor fail to immediately pay;
- (c) ensure that the Vendor immediately sends the missing quantities of goods, in all cases charging the Vendor for all costs and expenses arising as a consequence of failure to perform.

13) Quality warranty.

The Vendor warrants and represents that the Activities provided are without defects. The Activities shall be considered defective if:

- (a) they deviate from the requests made in the Orders, or otherwise
- (b) they fail to reflect the features which the Vendor presented through samples and prototypes, or otherwise
- (c) they fail to comply with safety standards requested by The Rocks, or otherwise
- (d) they are not suitable for the particular purpose to which The Rocks intended to put them.

14) Express termination clause

The Rocks may terminate all agreements made after signing the Orders pursuant to article 1456 of the civil code, at any time, by means of a written notice, should the Vendor:

- (a) be placed in liquidation or be subject to collect credit action
- (b) fail to fulfil the confidentiality obligations as per article 9;

(c) fail to fulfil the obligations as per article 10.

(d) fail to comply with the prohibition on subcontracting and non-assignability of the orders and receivables as per articles 6 and 7

d) fail to fulfil the obligations as per article 11.

15) Privacy.

Pursuant to legislative decree 196/2003, the Vendor warrants and represents that the information provided by The Rocks and/or by its Affiliate Companies and/or by third parties with regard to performance of this agreement, shall be processed in accordance with applicable law, manually and electronically, and such information shall not be disclosed to third parties except as may be required by law and orders issued by judicial or administrative authorities. In all cases, The Rocks and/or its affiliated companies enjoy the rights as per article 13 of the aforementioned law and may, at any time, request deletion, amendment, correction and freezing of such data held by the Vendor as pertains to them.

The Vendor warrants and represents that it has fulfilled all obligations arising from legislative decree 196/2003 as subsequently amended with regard to the data acquired by The Rocks and/or its Affiliated Companies during 10 performance of this agreement, indemnifying The Rocks and/or its Affiliate Companies and holding them harmless from and against any liability arising out of breach of the aforementioned laws.

16) Exemptions, Applicable law and Court exercising Jurisdiction.

All subsequent dispensation from these general terms and conditions and the purchase orders must be signed by both Parties. These general terms and conditions of purchase are governed by Italian law. They are written in Italian and any translation thereof is done for the sake of courtesy. Any disputes relating to interpretation and/or performance of the purchase order and these general terms and conditions shall be referred solely to Milan Law Court