

**V. ORLANDI S.p.A.**  
General Sales Conditions

**Art. 1 - Scope**

These terms and conditions of commercial sale apply to all current and future contracts of sale concluded with V. ORLANDI S.p.A. (hereinafter the "Seller"), except as otherwise provided and specifically agreed in writing. Any customer terms which deviate from these Terms shall only apply if confirmed by the Seller in writing.

**Art. 2 - Governing law**

All contracts with foreign customers are governed by and construed in accordance with the laws of the Republic of Italy, and specifically, when applicable, with the Vienna Convention on contracts for the international sale of goods of April 11th 1980 (hereinafter the "C.V.")

**Art. 3 - Conclusion of contract**

Acceptance of the Seller's offer or the order confirmation by the Purchaser shall result, in any case, in the application of these Terms to the contract of sale, including the case when acceptance occurs through the simple execution of the contract.

Offers made by agents, representatives or commercial auxiliaries of the Seller are not legally binding until they are confirmed by the Seller.

**Art. 4 - Samples, drawings and technical documents**

4.1 - Information - All specifications and information about weight, dimensions, capacity, prices, colours and other data featured in catalogues, advertisements, prospectuses, price lists or other documents of the Seller as well as the characteristics of samples and models sent to the Purchaser by the Seller are approximate and only intended as a guide. The information is only binding to the extent that is expressly represented in the contract or in the event of acceptance in writing by the Purchaser.

4.2 - Modifications to the product - The Seller reserves the right to carry out, at any time, on its own products any non-substantial modifications that are deemed useful, notifying customers in the event that they affect any supply already underway to them.

4.3 - Drawings, technical documents - All drawings and technical documents regarding the delivery or parts thereof submitted to the Purchaser, prior or subsequent to the signing of the contract, shall remain the property of the Seller. They may not, without the consent of the Seller, be used by the Purchaser or copied, reproduced, transferred or otherwise communicated to a third party by the Purchaser.

**Art. 5 - Warranty**

5.1 - Product compliance - Subject to the provisions set forth herein, the Seller guarantees the compliance of the products supplied; the expression product compliance shall be regarded as compliance with the agreed technical specifications and free from defects in design, workmanship or material that could affect their use.

5.2 - Extension - The warranty for defects is only limited to defects of the products due to defects in design, workmanship or material that can be directly ascribed to the Seller. The Purchaser shall duly follow product tolerances, indications and instructions of use as well as perform their proper maintenance. The warranty shall not apply in the event that the Purchaser fails to use the products correctly or carry out proper maintenance or when the products are altered or repaired by the Purchaser without prior authorization in

writing of the Seller.

The Seller is not liable for non-conformity of products, directly or indirectly, due to drawings, projects, information, indications, instructions, materials, semi-finished products, components and any other part supplied, indicated or requested by the Purchaser or third parties acting, in any capacity, on its behalf. The warranty shall not cover the effects of normal tear and wear.

5.3 - Duration - Unless otherwise agreed by the parties, the warranty shall have a duration of 12 months from the delivery date of the products to the Purchaser, subject to the claim procedure activated by the Purchaser according to the provisions herein.

The warranty for parts replaced or repaired shall commence on the date of their replacement or repair.

5.4 - Claims - The Seller shall verify compliance of the products and absence of defects. Any product defects or non-conformity shall be claimed by the Purchaser as follows:

a) In the event of defects or non-conformity that can be detected as soon as the Purchaser enters in possession of the goods, the Purchaser must claim them when the products are received at destination and, in any case, under penalty of forfeiture, no later than 8 days from that time;

b) In the event of hidden defects or non-conformity (that cannot be detected in accordance to the verification provided for by the Law and the procedure under the previous paragraph), the Purchaser must submit the claim within a short time from discovery, under penalty of forfeiture, and, in any case, no later than the duration of the warranty period.

Claims must be made in writing by registered mail addressed to the Seller and must contain the indication of all defects or non-conformity.

If the Purchaser fails to fulfil its payment obligation or does not allow the Seller to request payments, the Purchaser loses the right to warranty.

5.5 - Remedies - Following proper claim submitted by the Purchaser according to the provisions herein, the Seller, within a reasonable term from the claim, may choose to (at its own discretion):

a) provide the Purchaser, free of charge, with products of the same kind and quantity of the non-conforming or defective products; in this case, the Seller may request that the defective products be returned to him, assuming their ownership;

b) repair the defective products, including the replacement of their parts and components, which shall remain its property;

c) declare in writing the termination of the contract, offering the refund of the price against the return of the products supplied.

The warranty is always carried out Ex Works (EXW Incoterms 2010) of the Seller.

5.6 - Limitation of Seller's liability - Except in the event of fraud or gross negligence of the Seller, any compensation for damage to the Purchaser shall in no case exceed the invoiced price of the products claimed. The warranty herein shall be in lieu of any legal warranties for defects and non-conformity and shall exclude any other liability of the Seller originated from the products supplied; in particular, the Purchaser cannot make any other claims for damages, price reduction or the termination of the contract.

After the warranty period, no claims can be made against the Seller.

#### **Art. 6 - Technical provisions and manufacturer's liability**

With regard to the technical characteristics of the products, the Seller shall comply to all legal and technical provisions applicable in Italy. The Purchaser shall assume the entire risk in the event of difference between the Italian laws and legislation of any other country of destination of the products, duly indemnifying the Seller.

The Seller guarantees the performance of the products manufactured only and exclusively for uses,

destinations, applications, tolerances, capacity, etc. expressly indicated, the only exception being uses, destinations and applications that, due to common practices known by users, are clearly and unequivocally related to the products at issue.

In the event that the Purchaser uses the above products for resale, it will be its responsibility to inform the buyers of the afore-mentioned indications, specifically the instructions for use and the warnings contained in the explanatory documents. In the event that, in such case, the Purchaser grants to its customers broader warranty terms than the ones guaranteed by the Seller, the Purchaser shall assume all greater obligations arising there from.

As for any damage to people or property or civil liability in case of defective products, the Seller shall be responsible within the limits and according to the terms and conditions of its insurance policy. A similar limitation to the terms and conditions of the insurance policy shall apply to any claims for compensation of costs or expenses due to withdrawal or recall of the products supplied or products that, in any case, affect them.

#### **Art. 7 - Delivery**

7.1 - Surrender of the products - Unless otherwise established, the products are delivered Ex Works (EXW Incoterms 2010), even when the parties agree that shipping, or part of it, is provided by the Seller; in such case, the Seller shall act as a representative of the Purchaser, and the parties agree that all shipping risks and costs shall be borne by the Purchaser.

7.2 - Transfer of risks - Notwithstanding section IV, all risks of loss or damage of the products supplied shall be assumed by the Purchaser from the moment the products leave the Seller's premises, unless commercial terms or applicable laws provide for an earlier time.

In the event that the Purchaser fails to take delivery of the products upon the agreed delivery date for any reason other than negligence or wilful misconduct of the Seller, the Purchaser shall assume the above risks, in any case, no later than the delivery date agreed.

The Seller shall not be liable for damage or loss of products occurring after the transfer of risks. In no case the Purchaser shall be exempt from the payment obligation when damage or loss of products occurred after the transfer of risks.

7.3 - Seller's obligation to deliver the products - Delivery terms are to be intended as an approximate estimate only and, in any case, subject to a reasonable tolerance margin. The Seller shall be in no case responsible for any consequential damages resulting from early or late delivery, failure to deliver, in full or in part.

7.4 - Purchaser's obligation to take delivery of the products - The Purchaser shall always take delivery of the products, even in the event of partial delivery or when the products are delivered after the agreed delivery date. In the event that the Purchaser fails to take delivery of the products for reasons not attributable to the Seller or Force Majeure, the Purchaser shall bear all related costs and any sum owed to the Seller by the Purchaser, for any reason, shall become due immediately.

7.5 - Impediments beyond the control of the parties - The delivery time shall be extended for a period equal to the time lost by reason of the impediment in the event of occurrence of a number of causes beyond the control of the parties, such as any kind of strikes, fires, floods, lack of motive power, lack or shortage of raw materials, lack of means of transportation, waste of important parts under production by sub-contractors of the Seller, breakdowns or accidents of production plants of the Seller, delays in public authorizations and other impediments beyond the control of the parties occurring after the signing of the contract that make

the delivery temporarily impossible or excessively costly.

#### **Art. 8 Payments**

8.1 - Prices and payments - Prices shall always be regarded as Ex Work (EXW 2010). Payments and any other sum due, for any reason, to the Seller, shall be considered net at the Seller's domicile and must be carried out in conformity with the methods agreed. Any payments made to agents, representatives or commercial auxiliaries of the Seller shall not be considered as made until the relative sums reach the Seller.

8.2 - Delays in payment - The Seller has the right, after the expiry of the payment, without formal notice, to default interests according to the ECB interest rate increased by 8 percentage points (pursuant Legislative Decree No. 192 of 9.11.2012). The Purchaser cannot claim any failure of the Seller if he fails to make payments as agreed. No credit compensation of any type is allowed against the Seller.

#### **Art. 9 - Retention of title**

In the event of payment being made - in whole or in part - after the delivery, the delivered products shall remain the Seller's property until the moment of complete payment of the price.

#### **Art. 10 - Hardship**

If, for any unforeseeable reason, the execution of the Seller's obligation become, prior to their execution, more onerous than could reasonably have been anticipated at the time of the conclusion of the order/contract - so as to modify the economic aspects of the relationship by more than 20% - the Seller shall be entitled to request a revision of the contractual terms and conditions and, failing to reach such a revision, declare the order/contract cancelled.

#### **Art. 11 - Interpretation; amendments; invalid clauses**

These Terms of Sale shall be interpreted according to the text in Italian. Any attachments or premises to the contracts of sale shall constitute an integral and substantial part of them. Any reference to price lists, general terms or any other material of the Seller or third parties shall be regarded as referred to the documents applicable at the time of reference. Amendments and integrations affecting any contracts governed by these General Terms of Sale must be approved in writing by the parties, under penalty of being declared null and void. The derogation to one or more provisions herein must not be interpreted extensively or by analogy and shall not constitute a waiver of these General Terms of Sale.

#### **Art. 12 - Disputes**

Any dispute arising from or in connection with the contracts governed by these Terms of sale shall be submitted exclusively to the Court of the district where the Seller has its registered office; the Seller though may choose to take legal action and submit the dispute to the Court of the district where the Purchaser has its registered office.