



TERMS AND CONDITIONS OF SALE

NOTICE: For the purposes of this Exhibit and if applicable, Company may be identified as Seller and Distributor as Buyer. Sale of any Products or Services is expressly conditioned on Buyer's assent to these Terms and Conditions. Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Buyer. No form shall modify these Terms and Conditions even if signed by Seller's representative. Any order to perform work and Seller's performance of work shall constitute Buyer's assent to these Terms and Conditions.

GENERAL TERMS AND CONDITIONS FOR SALE OF PRODUCTS**1. Scope of Application**

These Terms and Conditions of Sale ("Terms and Conditions") shall govern all deliveries, even if in the Contract these Terms and Conditions are not expressly incorporated by reference. Buyer acknowledges the Contract when Seller issues an order confirmation ("**Seller Confirmation of Order**"). Subject to the Notice above, such Seller Confirmation of Order constitutes the sale concluding document. Any amendment or side agreement shall be effective only if it is approved by Seller in writing and shall apply only in a particular case, unless expressly otherwise agreed. Buyer's terms and conditions are expressly excluded. Should any term or part of a term of the Contract be or become invalid, this shall not affect the validity of the remaining terms and the agreements concluded on the basis thereof. The parties will replace the invalid term by a valid term, which closest reflects the meaning and purpose of the invalid term.

2. Purchase Orders and Specifications

- a) Purchase orders placed by Buyer are binding upon the Buyer and will be accepted by Seller only if Seller executes a contract or issues a Seller Confirmation of Order ("Contract").
- b) Specifications (e.g. dimensions, weights) are binding upon Seller only if they are expressly mentioned in the Contract or in Seller Confirmation of Order. Seller reserves the right to modify the specifications of the Product to comply with legal requirements and to the extent such modifications will not result in a deterioration of the quality and usability of the Products.
- c) Notwithstanding anything to the contrary herein, Seller only provides Products and shall not furnish any type of installation.
- d) If, in the elaboration of the order' scope and after receiving the first quotation by the Seller, the Buyer requests changes to the scope that may require new technical evaluations, studies or analyses by the Seller, the latter shall be entitled to adjust the content/costs of the quotation or of the offer to reflect the efforts invested by Seller's team to produce an updated quotation/offer.

3. Prices

- a) Unless agreed otherwise in writing, all prices are binding only if expressly incorporated by reference in the confirmation of order.
- b) All prices are exclusive of taxes and transport based upon delivery by the Seller to headquarter facilities in Verderio (LC) Italy or to storage facilities in Suisio (BG) Italy (Delivery to Storage)

4. Taxes and Duties

- a) Seller shall be responsible for, and shall pay directly, any and all corporate and individual taxes that are measured by net income or profit imposed by any governmental authority of any country on Seller, its employees, subcontractors or vendors due to the execution of any agreement or the performance of or payment for work hereunder (the "Seller Taxes"). If Buyer deducts or withholds Seller Taxes, Buyer shall furnish within one month to Seller accurate official receipts from the appropriate governmental authority for each deducted or withheld Seller Taxes. Buyer shall be responsible for, and shall pay directly when due and payable, any and all

Buyer Taxes (defined below), and all payments due and payable by Buyer to Seller hereunder shall be made in the full amount of the Contract Price, free and clear of all deductions and withholding, for Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts to Seller to cause the amounts actually received by Seller, net of deducted or withheld Buyer Taxes, to equal the full amount of the Contract Price. If Seller is responsible for remitting Buyer Taxes, Buyer shall, promptly upon presentation of Seller's invoice for such Buyer Taxes, pay to Seller an amount equal to the Buyer Taxes. If Buyer is exempt from any Buyer taxes, Buyer shall provide Seller with a tax exemption certificate acceptable to the taxing authorities.

- b) All rights to reclaim customs duties paid by the Seller, to the customs authorities of the country of manufacture of any Products, belong to and shall remain with Seller. Buyer agrees to cooperate with Seller and to furnish such documents to Seller, as may be necessary, to obtain drawback. "Buyer Taxes" means all taxes, duties, fees, or other charges of any nature (including, but not limited to, ad valorem, consumption, excise, franchise, gross receipts, import, license, property, sales, stamp, storage, transfer, turnover, use, or value-added taxes, and any and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto), other than Seller Taxes, imposed by any governmental authority of any country due to the execution of any agreement or the performance of or payment for work hereunder.

5. Payment Terms

- a) Before issuing any Seller Confirmation of Order, Buyer shall undergo a credit risk evaluation to be carried out by an independent body engaged by Seller at Seller's cost. Upon such credit risk evaluation, Buyer will be assigned to a specific sales volume/quantity for which standard payment terms will apply as per paragraph (b) below ("Credit Limit"). Should the Buyer request Products whose value is in excess of such Credit Limit, such amount, that is above the Credit Limit, shall be paid within 2 (two) days upon the invoice date if the Products are custom-made; otherwise, if the Products are standard, payment shall take place 3 days after Delivery to Storage.
- b) Subject to the foregoing, all invoices are due and payable at the specified payment date or thirty (30) days after invoice date if no payment schedule has been specified in the Contract or in Seller's Confirmation of Order. When the Contract includes special customizes Products, payment shall be completed within two days upon invoice date. In case Buyer defaults in payment, Buyer shall be subject to a default interest of five percent (5%) above Euribor, but not less than ten percent (10%) per annum of the outstanding amounts due Seller. If Buyer is in any default in payment, Seller may demand immediate payment of the entire remaining contract amount or of all invoices issued to date; but this shall not affect Seller's right to terminate the contract for default in payment. If Seller retains a collection agency, an attorney or other third party to collect outstanding claims, all collection charges (including legal fees) shall be borne by Buyer.
- c) All payments shall be made by wire transfer or out of a Letter of Credit. Buyer may not set off Buyer's claims against Seller's or any affiliate of Seller's payment claims. Buyer shall have no right of retention.
- d) When placing the order, Buyer shall take the measures agreed with Seller to secure payment (e.g. a bank guarantee, letter of credit, etc.).
- e) If Buyer is in default with payment or any other services, Seller is entitled, notwithstanding any other claims, to withhold Seller's delivery of the Products until Buyer becomes current on its contractual obligations or to rescind and terminate the contract for non-performance, after granting a reasonable grace period, and to assert damages (in particular for non-performance).

6. Termination and Suspension

- a) If Buyer fails to fulfill any of the payment conditions, Seller may suspend performance and delivery. Any cost incurred by Seller in accordance with such suspension (including storage costs) shall be payable by

Buyer upon submission of Seller's invoices. Performance of Seller's obligations shall be extended for a period equaling the period of Buyer's nonfulfillment of any portion of the payment terms, whether or not Seller suspends performance and such additional time as may be reasonably necessary in the circumstances. If Buyer does not correct such failure in the manner and time satisfactory to Seller, then Seller may, at its option, terminate the Contract in respect to the portion of Products not delivered and work not yet performed. In any case, if Buyer does not correct such failure within one month after occurrence of such failure, the originally agreed delivery dates are no longer valid and have to be renegotiated. If Seller terminates the contract, Buyer shall return to Seller all Products Seller has already delivered at Buyer's cost and expense and at Buyer's risk. If Buyer fails to do so, Seller may disassemble and remove the Products from Buyer at Buyer's cost and expense and at Buyer's risk.

- b) If Buyer's financial condition at any time does not justify continuation of the work to be performed by Seller under the Contract on the agreed terms of payment, Seller may require full or partial payment in advance or shall be entitled to terminate the Contract. If Buyer becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws, Seller shall be entitled to terminate the

Contract. Seller's termination charges shall be paid by Buyer to Seller upon presentation by Seller of its invoices.

7. Delivery, Delivery Period, Passage of Title and Risk of Loss

- a) The delivery period for the Products will commence only after all technical and commercial details have been clarified and will be as specified by the Supplier in the Contract. Delivery dates are ex works at the headquarter facilities in Verderio (LC) Italy or to storage facilities in Suisio (BG) Italy. Partial deliveries are permitted. Buyer shall inspect the delivered Products immediately after receipt as to completeness, accuracy and other absence of defects, and Buyer shall give written notice of defects, if any, without delay or no later than five (5) working days after receipt of the Products.

- b) Title to the Products shall pass to the Buyer upon payment of the relevant invoices. Risk of loss or damage to Products shall pass to Buyer with Seller's notice (Delivery Note) that Delivery to Storage has occurred or that delivery has started in accordance with paragraph c below. Once Products are delivered to Storage, Buyer shall arrange for collection or shipment to the Territory within 30 calendar days. In case of late collection, all relevant storage costs (such as preservation, insurance, storage, removal charges and any taxes) shall be payable by Buyer with a minimum fee of 5 euros per day per order.

- c) As a service to Buyer, Seller, upon Buyer's request and Seller's written agreement, shall arrange for shipment on behalf of Buyer. Buyer shall pay Seller for all fees and expenses including, but not limited to, those covering preparation of consular documents, freight, storage and warehouse-to-warehouse (including war risk) insurance, upon submission of Seller's invoices. Seller shall also apply for any required export license. In performing such service, Seller will comply with any reasonable instructions of Buyer or, in the absence thereof, shall act according to its best

judgment. In acting on Buyer's behalf hereunder, Seller shall be without liability on any claim asserted by Buyer, notwithstanding the provisions of any other clause. Claims against Seller for shortages or errors in shipment must be made within thirty (30) days after receipt of the Products by Buyer and be accompanied by necessary documentation to substantiate the claim. Products may not be returned by Buyer without first having received written permission from Seller and agreement reached for the terms to cover such return.

8. Changes

Buyer may, by written change order, ask for mutually agreed to changes in the Products' design, drawing, and package, delivery point and delivery terms. If any such change results in an increase in the cost or time required for the performance of the work under the Contract, there shall be an equitable adjustment in the Contract Price and the Scheduled Delivery Date. Seller shall not be obligated to proceed with the changed or extra work until the price of such change and its effect on the Scheduled Delivery Date have been agreed upon in a written change order.

9. Excusable Delays

- a) The Seller shall not have any liability, or be considered to be in breach, or default of its obligations under the Contract, to the extent that performance of such obligations is delayed or prevented, directly or indirectly, due to:
 - i) causes beyond its reasonable control; or
 - ii) acts of God, acts (or failures to act) of governmental authorities, fires, severe weather conditions, earthquakes, strikes or other labor disturbances, floods, war (declared or undeclared), epidemics, civil unrest, riots, delays or accidents in transportation; or
 - iii) acts (or omissions) of the Buyer including failure to promptly: (a) provide the Seller with information and approvals necessary to permit the Seller to proceed with work immediately and without interruption, or (b) comply with the terms of payment; or
- b) The Seller shall notify the Buyer of any such delay and strive to mitigate the delay to the extent practicable. The Ready to Ship date or other date of performance shall be extended for a period of time necessary to overcome the effect of such excusable delay. If the Seller is delayed by acts or omissions of the Buyer, or by the prerequisite work of the Buyer's other contractors or suppliers, or any other event of excusable delay as described above under 9 (a), the Seller shall also be entitled to an equitable price adjustment.
- c) If such excusable delay extends for more than ninety (90) days and the Parties have not agreed upon a revised basis for continuing the work at the end of the delay, including adjustment of the price, then either Party (except where delay is caused by the Buyer, in which event only the Seller), upon thirty (30) days written notice, may terminate the Contract with respect to the portion of Products to which title has not yet passed, whereupon the Buyer shall promptly pay the Seller termination charges as set forth in the Termination Schedule in the Contract.

10. Warranty

- a) Warranty is governed by article 1490 and following of the Italian Civil code.
- b) This warranty shall not cover defects of or damage to the delivered Products, which are due to:
 - i) normal wear and tear on parts whose normal life expectancy is less than the warranty period,

- ii) improper assembly or maintenance, handling, unpacking, negligence or other improper application by Buyer;
 - iii) detrimental air inlet conditions or erosion, corrosion or material deposits from fluids.
- c) Supplies and maintenance materials, such as filters greases, lubricants, sensors, switches, light bulbs, and so forth, are excluded from warranty.
- d) Buyer's right to claim warranty are further conditioned upon:
 - i) appropriate handling, unpacking, storage, installation, operation and maintenance/repair of the delivered Products by Buyer and any authorized third party, in accordance with operation instruction manuals (including revisions thereto) provided by the Seller and/or its subcontractors or suppliers, as applicable (including any required warranty preservation services in the event of long-term storage)
 - ii) signing of the Products Acceptance Report If applicable;
 - iii) proper compliance by Buyer of all contractual obligations, including but not limited to, all payment obligations; and
 - iv) written notice of defects (Warranty Report). The Buyer shall keep proper records of operation and maintenance during the warranty period. These records shall be kept in the form of log sheets and copies shall be submitted to the Seller upon its request.
- e) Seller warranty obligation is, at Seller's sole discretion, restricted to a) the replacement of the defective part with a non-defective part with delivery at Buyer's site, or b) repair of the Products or part thereof that gives rise to the warranty claim. The Seller will be responsible for the installation of the non-defective part only for complex and automation components (with explicit exclusion of safeguarding layouts) and if expressly agreed in the Contract. For the avoidance of doubt: outside EU Buyer shall be obliged to clear the goods for import, pay any import duty, taxes related thereto nor be liable for carrying out any import customs formalities. Seller shall not be liable for delays of delivery related to such import customs formalities. The Buyer shall return the defective Part to the Seller Facility or any other place of delivery notified by Seller to Buyer as the case may be within a reasonable timeframe but not later than 60 days after notification about the warranty claim.
- f) The preceding paragraphs of this Article set forth the sole and exclusive remedies for all claims based on failure of or defect in the Products and services provided under this Agreement, whether the failure or defect arises before, during or after the Warranty Period and whether a claim, however instituted, is based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise. The foregoing warranties are exclusive and are in lieu of all other warranties and guarantees whether written, oral, implied or statutory. No implied statutory warranty of merchantability or fitness for a particular purpose shall apply.

11. Limitation of Liability

- a) *Limitation.* Buyer may not claim damages of any kind for any legal basis whatsoever, whether in contract, indemnity, tortious damage (including negligence), strict or product liability,

impossibility of service, positive breach of an obligation, or otherwise, arising out of the performance or breach of the Contract or use of any Products or part thereof, unless the foregoing is due to Seller's intentional misconduct or gross negligence. Buyer shall be required to prove the existence of such intentional misconduct or gross negligence. The total liability for any and all damages hereunder shall not exceed ten percent (10%) of the Contract price. All liability under the Contract shall terminate one (1) year after delivery of the Products or part thereof giving rise to the claim.

- b) *Exclusion of consequential damages.* In no event, whether as a result of breach of contract, warranty, indemnity, tortious damage (including negligence), strict or product liability, impossibility of service, positive breach of an obligation, or otherwise, shall Seller or Seller's subcontractors or suppliers be liable for "lucro cessante", loss of profit or revenues, loss of use of the Products or any associated Products, cost of capital, cost of substitute Products, facilities, services or replacement power, downtime costs, fines or penalties charged to the Buyer for failure to meet permits, or for any special, consequential, incidental, indirect or exemplary damages.
- c) *Subsequent Buyers.* The Buyer covenants and agrees that, in the event it seeks to transfer or assign the Contract or sell or provide the Products to any other third party, it shall, as a condition to such transfer, sale or assignment, cause such third party to acknowledge and accept the restrictions and limitations afforded under the Contract for the benefit of Seller and Seller's subcontractors and suppliers, including the provisions of this Article. If the Buyer fails to obtain acknowledgement from the subsequent purchasers, the Buyer shall indemnify, defend and hold Seller harmless from and against any and all claims in excess of these restrictions and limitations made by any subsequent purchasers of the Products or services against Seller for loss or damage arising out of the performance or non-performance of the Products or services provided under the Contract.
- d) *"Seller" Defined.* For the purposes of this Article, the term "Seller" shall mean Seller, Seller's affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, whether individually or collectively.
- e) *Limitations to Prevail.* The provisions of this Article shall prevail over any conflicting or inconsistent provisions contained in any of the documents comprising the Contract, except to the extent that such provisions further restrict the Seller's liability.
- f) Buyer shall comply with the instructions Seller has issued for the use of the delivered Products. Seller shall not be liable in case of non-compliance with these instructions or governmental conditions.

12. Applicable Law, Place of Performance, Place of Jurisdiction

- 12.1** In the event of any controversy, or claim, arising out of, or relating to this Agreement, or a breach thereof, the parties hereto agree first to try and settle the dispute by mediation, administered by the Camera Arbitrale di Lecco under its Mediation Rules. If settlement is not reached within sixty (60) days after service of a written demand for mediation, any unresolved controversy, or claim arising out of, or relating to, this Agreement shall be settled by the Courts of Lecco to which the Parties submit exclusive jurisdiction.

12.2 Notwithstanding the terms above, each party has the right at any time, at its option, and where legally available, to commence an action, or proceeding, in a court of competent jurisdiction to apply for interim, or conservatory measures, but not monetary damages.

12.3 The validity, performance, and all matters relating to the interpretation and effect of the Agreement, and all further documents executed pursuant to it, shall be construed and interpreted in accordance with the laws Italy, without giving effect at its choice of law provisions. The terms of the International Convention for the Sale of Goods (CIGS) are expressly excluded.

13. Compliance with Laws, Codes and Standards

- a) The Contract price is based on Seller's design, manufacture and delivery of the Products pursuant to (i) its design criteria, manufacturing processes and procedures and quality assurance program, (ii) those portions of industry specifications, codes and standards in effect as of the date of Seller's proposal to Buyer, which Seller has deemed applicable to the Products, (iii) the Italian laws and rules in effect on the date of Seller's proposal to Buyer and (iv) the Specification.
- b) The Contract price will be equitably adjusted to reflect additional costs incurred by Seller resulting from (i) a change in standards and regulations described in 13 (a) after the date of Seller's proposal to Buyer which affect the Products and (ii) in the event the facility site is not located in the EU, changes required to comply with regulatory or industrial requirements in the country where the Products will be delivered or installed.
- c) Notwithstanding, any other provisions herein, Buyer shall be responsible for timely obtaining any required authorization, such as an export license, import license, foreign exchange permit, work permit or any other governmental authorization, even though any such authorization may be applied for by Seller. Buyer and Seller provide each other reasonable assistance in obtaining required authorizations. Seller shall not be liable if any authorization is delayed, denied, revoked, restricted or not renewed and Buyer shall not be relieved thereby of its obligations to pay Seller for the work.

14. Software License

- a) Buyer is granted a limited license for any Software (defined below) delivered by Seller, whether as part of any Products or separately. Buyer is not granted a license for any other Software.
- b) Buyer may not distribute copies of the Software to others or electronically transfer the Software from one computer to another over a network. The Software contains trade secrets. In order to protect them Buyer may not decompile, reverse engineer, disassemble, or otherwise reduce the Software to a human-perceivable form. Buyer may not modify, adapt, translate, rent, lease, loan, resell for profit, distribute, network, or create derivative works based upon the software or any part thereof.
- c) All Software is protected by the copyright laws of the laws of Italy and by applicable international treaties. No rights under copyrights are transferred to Buyer, except as specifically provided above.
- d) All Software provided by Seller remains Seller's property.
- e) "Software" means a computer program or compilation of data that is fixed in any tangible medium of expression, or any storage medium from which the program may be perceived,

reproduced or otherwise communicated, either directly or with the aid of a machine or device, and shall include without limitation any of Seller's proprietary operating Software, provided for the ordinary operation of the Products, any optional Software to enhance the operation of the Products, as well as any upgrades or revisions of this material the Seller provides in fulfillment of a specific written commitment or otherwise. Nothing herein shall be deemed to create an obligation on the part of Seller to provide any upgrade or revision to any Software other than pursuant to a written obligation to do so.

15. Confidentiality

In connection with this Contract, the Seller and the Buyer (as to information disclosed, the "Discloser") may each provide the other Party or its Affiliates (as to information received, the "Recipient") with Confidential Information. The obligations of this clause 15 (Confidential Information) shall not apply as to Confidential Information which: (a) at the time of disclosure or subsequently is published or otherwise generally available to the public other than through any act or omission on the part of the Recipient; (b) the Recipient can demonstrate by written records was lawfully in the possession of the Recipient at the time of disclosure and not otherwise subject to a non-disclosure agreement; (c) the Recipient can demonstrate by written records was acquired from a third party who had the lawful right to make such disclosure; (d) the Recipient can demonstrate by written records was independently developed by the Recipient without reference to the materials comprising the Confidential Information disclosed under this Contract; or (e) the Recipient notifies the Discloser is required to be disclosed by the Recipient pursuant to any applicable Law provided that (i) any such disclosure shall be only as far as necessary to give effect thereto, and (ii) the Recipient shall notify the Discloser of such disclosure obligation as soon as reasonably practicable so that the Discloser may seek an appropriate protective order, if available.

- i) The Recipient agrees: (a) not to disclose the Confidential Information to any third party other than its Affiliates, employees, agents, Subcontractors, Suppliers, or Lenders (each of which a "Recipient Representative") to the extent the forgoing has a need to know to allow Recipient to perform its obligations or exercise its rights under this Contract; (b) to restrict disclosure of Confidential Information only to those of its Recipient Representatives, who are bound by equivalent obligations as to confidentiality; (c) to inform each of the Recipient's Representatives receiving the Confidential Information of its confidential nature; (e) to promptly return or destroy on request at any time all Confidential Information to the Discloser and immediately cease using the same (save for one copy for ensuring compliance with the terms of this clause 15 (Confidential Information)).
- ii) Nothing contained herein shall transfer ownership of or constitute a license to any intellectual property.
- iii) As to any individual item of Confidential Information, the restrictions of this clause 15 (Confidential Information) shall expire the later of five (5) years after the date of disclosure and three (3) years after termination or expiration of this Contract.

16 General Clauses

- a) The delegation or assignment by Buyer of any or all of its duties or rights under the Contract without Seller's prior written consent shall be void. Seller shall have the right to assign the Contract in whole or in part to an affiliate or parent of Seller; provided, however, that such assignment shall not relieve Seller of its obligations to perform under the Contract.
- b) The Contract represents the entire agreement between the Parties and no modification, amendment, rescission, waiver or other change shall be binding on either Party unless assented

to in writing by the Parties' authorized representatives. Any oral or written representation, warranty, course of dealing or trade usage not contained or reference herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in the Contract.

Except as provided in the Article entitled "Limitation of Liability", these provisions are for the benefit of the Parties here to and not for any other third party.

- c) The invalidity in whole or in part of any part of the Contract shall not affect the validity of the remainder of the Contract. Unless otherwise defined herein, all capitalized terms used in the Contract shall have the meanings assigned to them in the Contract.
- d) The following Articles shall survive termination of the Contract: Article 4 (Taxes and Duties); Article 11 (Limitation of Liability); Article 12 (Applicable Law); Article 12.1 (Compliance With Laws) and Article 15 (General Clauses).
- e) For the purposes of articles 1341 and 1342 of the Italian Civil Code, the parties are fully aware of and specifically agree to the following clauses: 6 (Termination and Suspension) 7 (Delivery, Passage of Title and Risk of Loss); 10 (Warranty), 11 (Limitation of Liability), 12 (Governing Law and Place of Jurisdiction), 16 (General Clauses).