

GENERAL CONDITIONS OF SALE – S.I.R. SOCIETA' ITALIANA RIDUTTORI S.r.L.
Version dated 7 May 2020**1. OBJECT**

These General Conditions of Sale regulate all contractual sales relationships between the company S.I.R. SOCIETA' ITALIANA RIDUTTORI S.r.L., VAT number IT02347260248, with registered office at Via Gasdotto 65, 36078, Valdagno (VI) Italy, and any Purchaser, when entered into through purchase orders and their relative order confirmations. For purposes of these General Conditions of Sale (hereinafter "Conditions of Sale"), the following terms shall have the following meanings:

- 'Supplier': S.I.R. SOCIETA' ITALIANA RIDUTTORI S.r.L.;
- 'Purchaser': any company, institution or entity buying Products from the Supplier;
- 'Product/Products': goods manufactured, assembled and/or sold by the Supplier;
- 'Final Product/Products': the Purchaser's product where Products will be embedded.

2. EFFECTIVENESS OF THE CONDITIONS OF SALE

These Conditions of Sale shall apply even if they have not been expressly referred to and undersigned in the individual purchase orders. Any derogation clauses will be effective only if expressly accepted in writing by the parties. These Conditions of Sale are effective until they have been expressly revoked by the Supplier or are replaced by new conditions that will become effective from their subscription.

3. CONCLUSION OF THE CONTRACT

The contract shall be deemed concluded when the Purchaser receives the written order confirmation from the Supplier, i.e. if the Supplier, even without express acceptance, initiates the execution of the service, fulfilling the order. The Supplier's registered office shall always be intended as the place of conclusion of the contract. Orders and/or modifications of orders placed verbally or by telephone must be confirmed in writing by the Purchaser in order to be effective.

4. DELIVERY

The date of delivery of the Products is the date indicated in the written order confirmation. If the Purchaser refuses to receive the Products made available to him according to the above-mentioned conditions, the Supplier will still be entitled to the payment of the agreed price, upon the issue of the relative invoice. In case of failure to collect the Products within five days from the date they are made available, the Supplier has the right to deposit the Products in a storage facility at the Purchaser's risk and expense. In this case, by way of derogation from art. 1766 of the Italian Civil Code, the Supplier is not subject to the obligation of custody, therefore, the risk of loss and damage to the goods is entirely borne by the Purchaser.

The Supplier reserves the right to extend the delivery terms, without being in any way obliged to pay any indemnity, in the following cases:

- a) causes of force majeure such as, for example, strikes, lack of or insufficient motive power, fire in the Supplier's companies and/or any other event not attributable to the latter;
- b) failures, inaccuracies or delays on the part of the Purchaser in transmitting the information necessary for the execution of the order;
- c) any changes accepted by the Supplier after receiving the order;
- d) difficulties in the availability of raw materials;
- e) delays by the shipper.

5. TERMS

Considering the complexity of the processes, the terms of preparation, shipment or delivery agreed upon, are not irrevocable or mandatory, but must be understood to be purely indicative and not binding for the Supplier. Any delays in deliveries cannot therefore give rise to penalties, nor to compensation for damages, nor to interest, nor to termination, not even partial, of the contract, at the Supplier's expense. In case the Supplier has to postpone the delivery of the Products in relation to the foreseen term of delivery, at the Purchaser's request or for reasons even indirectly attributable to him, all possible additional costs, such as storage, handling and transport, etc., shall be borne by the Purchaser himself.

6. TRANSPORT AND PACKING

Unless otherwise agreed in writing, the Products are returned according to the Incoterms indicated in the order confirmation (Incoterms in their most recent version published by the International Chamber of Commerce) and always travel at the risk of the Purchaser, even when they are returned carriage paid.

The insurance of the Products during transport is the Purchaser's responsibility. The Purchaser is responsible for the customs clearance of the Products and for any and all additional operations connected to it. The Supplier shall pack the Products for shipment in the form deemed most appropriate and shall not be liable for any damage, breakage, tampering or losses that may occur after the Products have left his warehouses. The packaging is made according to the experience and results obtained through its use, except for specific requests made by the Purchaser, which must be expressly indicated in writing in the order. Any complaints or disputes arising from or related to transport and/or complementary and/or subsequent operations must be proposed by the Purchaser exclusively to the carrier or any third party responsible. The Supplier is released from any responsibility in case of loss and damage of the Products caused by transport or inaccurate handling.

7. DEFECTS AND WARRANTY OF PRODUCTS

The warranty is valid for 12 months and starts from the date of production appearing on the label. The Supplier guarantees that the Products comply with the technical specifications communicated by the Supplier himself.

Complaints lodged by the Purchaser for defects or faults in the Products supplied must be made, in writing, by letter, fax, registered letter with return receipt, email, or by filling in the form for complaints, and they must be brought to the Supplier's attention within eight (8) days from the delivery of the Products, failing which, all rights will be deemed void.

The document must include all the details necessary for an immediate evaluation of the defects, including at least the following ones:

- a) serial number of the Products involved;
- b) identification number of the relative purchase order, batch number and/or transport document;
- c) detailed description of the problem;

- d) detailed description of the place and work conditions where the problem arose;
- e) if available, the machine hours of the Purchaser's Final Product;
- f) contact details of the reference person to be contacted;
- g) photos or videos showing the defects and the Supplier's label applied on the products involved.

If the complaint lodged in the manner indicated above proves to be well-founded, the Supplier will, at his discretion, within a period to be agreed upon, refund the sum paid, repair or replace the defective Products within the limits of the stock available at that time.

It should be noted that, except in the case of willful misconduct or gross negligence, the Supplier shall be obliged, in the event of verified defects, lack of quality or lack of conformity of the Products, only to refund the sum paid, to repair them or to supply Products in place of the defective ones within the limits of the contingent stock available. It is understood that the above-mentioned warranty includes and replaces the warranties and responsibilities provided for by law and excludes any other responsibility of the Supplier (both contractual and non-contractual) that may derive from the Products supplied (e.g. compensation for damages, loss of earnings, recall campaigns, etc.).

On the other hand, the warranty does not cover the costs of shipping the product to the Seller and returning it to the Purchaser, as well as any intervention costs incurred directly or indirectly by the Purchaser for the disassembly and reassembly of the defective goods or for any intervention costs of third parties appointed by the Purchaser to manage the defect in any way (e.g. maintenance or technical assistance companies appointed by the Purchaser). This is without prejudice to the Supplier's right to have the disputed supply returned to him.

The Supplier reserves the right to examine the validity of the complaints. Should they prove to be unfounded, the Supplier may charge the costs of the inspection to the Purchaser. Complaints or disputes, even if acknowledged by the Supplier, do not give the Purchaser the right to delay or suspend payments.

The warranty does not cover any of the following circumstances:

- a) loss or damage to the Products during shipment or transportation;
- b) removal of the identification label applied on each product;
- c) inadequate or poor performance of the Products for use in the Purchaser's End Products;
- d) failures or damage caused by mishandling and/or mismatch of the Products with the other components of the Purchaser's Final Products or any other cause not related to an original defect of the Products;
- e) failures or damages occurring as a result of the Supplier's compliance with specific instructions or requests of the Purchaser;
- f) failures or damages resulting from improper or careless storage, assembly, installation, use or maintenance of the Products and/or of the Purchaser's Final Products, or from abnormal operating conditions (including, but not limited to, excessive physical or electrical stress, operation beyond capacity, overload, etc.) or, in any case, for failure to comply with any indication contained in the technical documentation attached to the Products or otherwise provided by the Supplier;
- g) failures or damage resulting from modifications, alterations, repairs or replacements of the Products made by the Purchaser or third parties or from the use of spare parts, components, accessories and/or consumables (e.g. oil, lubricants, detergents, etc.) which are not original or approved by the Supplier in writing;
- h) failures or damage caused by unforeseen events or force majeure, environmental factors, negligence or incompetence of the Purchaser or third parties;
- i) failures or damage caused or worsened by further use of the Products once the defect or non-conformity has arisen;
- j) parts subject to adjustment or replacement during normal preventive maintenance (e.g. filters, bulbs, etc.)
- k) normal wear and tear, to be evaluated in relation to the actual conditions of use of the Products;
- l) partial or total non-compliance by the Purchaser with his payment obligations towards the Supplier.

The liability of the Supplier for damages to persons arising from accidents of any nature caused by defective Products, will be only that which derives from the law (in the U.S. territory are excluded the Punitive Damages).

Any disputes concerning a single delivery shall not exempt the Purchaser from the obligation to accept the remaining quantity of products provided for in the specific order, or provided for in other orders that are not associated with the one in question.

If the Product has defects which are not covered by the warranty, the Supplier shall send the Purchaser an estimate for the required repair or replacement. The Purchaser has eight days from the date the estimate was sent, to communicate, by email, whether he wants to proceed or not. If the Supplier has not received any reply within this time interval, then he shall proceed with the disposal of the Product.

8. RETURN OF GOODS

The Supplier does not accept the return of goods unless he has previously authorized this in writing. The products must, in any case, be intact (not disassembled), packaged (possibly in the original packaging) and accompanied by a return note and the documentation required in point 7 (relevant to the return); furthermore, the Purchaser shall bear all the costs and risks for the return of the goods. Returns must be sent to the Supplier's test center at the Italian headquarters in order to allow the Supplier to verify the claim. The shipping costs will be refunded to the Purchaser only in case the Supplier accepts the return.

9. PRICE

Quotes are not binding. A quotation is considered accepted only on our written order confirmation, after having fully clarified all technical and commercial details.

The price to which the parties refer, for the purposes of these Conditions of Sale, is that expressly indicated in the order confirmation sent by the Supplier to the Purchaser. Catalogs, price lists or other promotional material are only an indication of the type of Products and price, and the information, including technical information, indicated therein are not binding for the Supplier and may be changed without prior notice. Should increases occur in the cost of materials, labor or other elements, during the supply period, then the Supplier has the right to adjust his prices from the dates such increases took place, subject to prior notification to the Purchaser.

10. PAYMENT

The Purchaser shall not be entitled to make any deduction from the agreed price (e.g. in the event of alleged defects in the Products) unless previously agreed in writing with the Supplier.

The price agreed upon is understood to be the gross price, including all expenses and/or charges, and the payment must be made as per the terms and conditions indicated in the order confirmation or in the sales invoice. The payment is considered valid if made directly to the Supplier at his premises or at the bank details indicated in the order confirmation in the currency and in the forms indicated on the invoice. Any payment made in a place and manner different from that agreed, will not be considered valid by the Supplier. In case of payment by letter of credit, it is understood that the payment shall be made at

antalian bank office. Any delay in payment will result in the charging of interest for late payment equal to the official discount rate applied by the European Central Bank increased by five points. As an exception to Legislative Decree no. 231 dated 9 October 2002, we establish that the starting date of application of the interest for late payment is not automatic; this starting date will coincide with the date of issue of the formal notice of infringement. Furthermore, in case of non-payment by the Purchaser of even a single instalment, the Supplier, at his own discretion, may modify the terms and methods of payment relating to the supplies and/or orders still in progress, or he may suspend the fulfilment of his obligations until the Purchaser has fully paid the price (principal amount plus interest and expenses), or he may cancel the orders, without the Purchaser having any right to make claims for compensation of any kind; moreover, all this does not prejudice any and all the rights of the Supplier to obtain compensation from the Purchaser for any damage, costs and expenses incurred by the Supplier himself. In any case, the Supplier reserves the right to terminate the contract ipso iure by written notice to the Purchaser, without the need for formal notice, and to take action against the Purchaser for the payment of what is due and compensation for the damage sustained. If the obligation to pay the price remains unfulfilled, in accordance with this clause, the Supplier has the right to have the Products sold on behalf of and at the expense of the Purchaser, informing the Purchaser of the time and place where the sale will be carried out. If payment is made by documentary credit, the documents shall be in English regardless of the nationality of the contracting party.

11. RETENTION OF TITLE

In case of sale with deferred payment, the Purchaser acquires the ownership of the Products only after the last instalment has been paid, nevertheless, the Purchaser bears the risk of total or partial loss of the Products from the moment they are delivered. Bearing the risk also includes cases of theft, fire or fortuitous events, which may determine the total or partial loss of the Products. The payment of the Products must, therefore, occur despite the circumstances of their total or partial loss. To this end, the Purchaser shall produce, upon a simple request by the Supplier, a suitable insurance policy to cover the risks of damage or loss of the goods. The Purchaser undertakes not to assign the use of the Products to third parties until he obtains their ownership and, in case of third-party execution proceedings related to the ownership of the Products, the Purchaser undertakes to inform the authority responsible for the proceedings about his capacity as simple keeper of the Products. In this case, the Purchaser shall inform the Supplier of the beginning of the execution proceedings within 24 hours, by means of a registered letter with return receipt, to be sent to the Supplier's registered office, and by forwarding a copy of the letter to the Supplier by fax or email.

Pursuant to the second paragraph of art. 1524 of the Italian Civil Code, this contract of sale with agreement of reserved ownership must be transcribed in the records of the Registry of the competent Court, at the Purchaser's expense.

12. TERMINATION

In case of bankruptcy proceedings against the Purchaser, a well-known state of financial difficulty, or non-fulfilment of any of the contractual obligations, the Supplier may terminate the contract with a written communication to the Purchaser. In case of termination of the contract, without prejudice of any other right, the Supplier is entitled to enter into the Purchaser's premises or in any place where the Products are located, and is entitled to take possession of all or a part of the Products. The termination of the contract, for any reason, does not compromise the rights acquired by the Supplier up to the moment of the termination. In case of termination, the amounts already paid will be kept by the Supplier as a down payment on the larger amounts still due by the Purchaser, while still reserving the right to claim compensation for damages, and the Products shall be immediately returned to the Supplier, either at his headquarters or at the place that he has indicated.

The violation of the following obligations shall constitute grounds for the express termination of the contract:

- 1) Delayed payment of even one instalment, in case of deferred payment;
- 2) Failure to collect the goods within the terms established by the contract;
- 3) Breach of confidentiality obligations;
- 4) Infringement of intellectual property rights referred to in article 15.

13. CONFIDENTIALITY OBLIGATIONS

All information concerning the know-how owned by the Purchaser, as well as all the other commercial and company information, that shall be brought to the Purchaser's knowledge during the negotiation and execution of the contract, shall be considered confidential. Such information shall not be used directly nor indirectly by the Purchaser, except to the extent that is necessary for the correct execution of the contract, nor shall it be revealed to third parties. Confidential data includes the information concerning the plants, the means of production and all the other company assets of the Supplier, as well as: the models and the organization of the production and the services offered by the Supplier, the commercial initiatives, the clients, the management and the state of affairs of the Supplier's company, the economic relations with third parties, etc. The Purchaser undertakes to adopt every reasonable precaution to keep this information confidential, communicating any necessary information only to his employees, who are bound to secrecy.

14. PRODUCTS CONFORMITY. IMPROVEMENTS AND MODIFICATIONS

The conformity of the products to samples and/or images in price lists, catalogs or similar documents must not be considered compulsory, but indicative. In particular, the aesthetic appearance of the products may differ from the samples in possession and/or images in the documentation.

Furthermore, and also with respect to the data and information provided in the above mentioned documentation, the Supplier reserves the right to make any improvements and modifications to his products, including aesthetic ones, deemed appropriate or necessary, without this giving the Purchaser the right to raise objections, or to terminate any orders in progress, and/or to claim compensation, and/or to request reductions in the price agreed upon.

15. INTELLECTUAL PROPERTY RIGHTS

During the term of the contract and after its termination, the Purchaser shall not reveal, publish, spread, copy, imitate or use in any way any part of the patents, models, drawings and of the technical know-how owned by the Supplier.

The know-how resulting from any product developments or implementations conceived by the Supplier in the execution of this contract shall be considered his exclusive property without the Purchaser having any claim to ownership, or economic exploitation, or to any compensation or indemnity. The Purchaser shall bear all costs, damages, expenses and losses incurred by the Supplier as a consequence of any violation of patent and/or trademark rights or rights related to the models and drawings, or as a consequence of an improper spread of know-how related to the contract or to the use of the Products. The Purchaser must

communicate to the Supplier, without delay, any news, fact or opinion which may be relevant in order to protect the patent and trademark rights, the rights related to the models, drawings and know-how. Furthermore, the Purchaser releases the Supplier from any responsibility in claims advanced by any third party towards the latter, based on any alleged infringement of intellectual and industrial property rights

16. LANGUAGE

The original version of these General Conditions of Sale is in Italian.

17. GOVERNING LAW

The contract is governed by Italian law.

18. JURISDICTION

All disputes relating to the interpretation and execution of the contract are submitted to the exclusive jurisdiction of the Italian Judicial Authority of the Court of Vicenza.

19. PERSONAL DATA PROTECTION

The Purchaser declares to have been informed of all the elements provided for in art. 13 and 14 of the EU Regulation no. 679/2016 about personal data protection and art.13 of the Legislative Decree no. 196 dated 30 June 2003, and gives consent, pursuant to art. 23 of the aforementioned Decree, to the processing of personal/company data in accordance with the law, and to their possible communication to third parties and/or transfer to countries within the European Union or to third countries in accordance with articles 42 and 43 of the Decree, in particular to foreign subjects, including non-EU ones, whose collaboration may be necessary. The Purchaser expressly authorizes the Supplier to mention his name as the Purchaser of the Supplier's Products in his advertising materials, inserts, newspaper or magazine articles.

FINAL CLAUSE

These General Conditions replace and prevail over any previous agreement between the Supplier and the Purchaser.

DATE _____

THE SUPPLIER _____ THE PURCHASER _____

SPECIFIC APPROVAL

Pursuant to and for the effects of art.1341 of the Italian Civil Code, the Purchaser declares to have carefully read and expressly approve the following clauses of the general conditions of contract: art.2: approval of the Conditions of Sale; art.4: delivery; art.5: terms; art.6: transport and packaging; art.7: defects and warranty of products; art.9: price; art.10: payment; art.12: termination; art.13: confidentiality obligations; art.14: products conformity. Improvements and modifications; art.15: intellectual property rights; art.17: governing law; art.18: jurisdiction; art.19: personal data protection.

DATE _____

THE SUPPLIER _____