

GENERAL CONDITIONS OF SALES – BERTOLI s.r.l.

1. CONTRACTUAL RULES AND DEFINITIONS

1.1. These General Conditions shall govern, except as otherwise specifically agreed in writing, all present and future contracts of sale between the company Bertoli s.r.l., whose registered office is in Via Tomasicchio 3/5, 43013 Langhirano (PR), Italy, (hereafter “the Seller”) and the purchaser (hereafter “the Buyer”). General conditions of the Purchaser will not apply, in whole or in part, unless accepted in writing by the Seller. Any possible derogation to these General Conditions will be effective only if agreed upon in writing between the parties.

1.2. The term “Contract” indicates each specific sale agreement regulated by these General Conditions and the term “Products” indicates the goods which are subject to the Contract.

1.3. The acceptance by the Buyer of the Seller's offer or order confirmation, even when made through a conduct indicating assent, implies the application of these General Conditions to the Contract.

1.4. Any reference made to trade terms (such as EXW, FCA, FOB, CIP, etc.) is deemed to be made to the Incoterms published by the International Chamber of Commerce and current on the date the offer or order confirmation is sent by the Seller.

2. CHARACTERISTICS OF THE PRODUCTS

2.1. Any information or data relating to features and/or specifications of the Products contained in dépliant, price lists, catalogues and similar documents shall constitute an approximate indication only. Such data are not binding except when it is mentioned in the Seller's offer or written acceptance that they are binding.

2.2. All drawings and technical documents relating to the Product or its manufacture submitted by one party to the other, prior or subsequent to the conclusion of the Contract, shall remain property of the submitting party and they shall not be used for any other purpose than erection, commissioning, operation and maintenance of the Product. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

2.3. Possible differences remaining within the tolerances which are usual in the industry and /or normally accepted in the relations between the parties, shall be considered as conforming to the Contract.

2.4. As far as the characteristics of the Products are concerned, the Seller only warrants that they are in compliance with the technical rules in force in Italy and in the European Union, but cannot warrant, unless specifically agreed, their conformity with

possible technical rules of the country of destination of the Products.

3. ACCEPTANCE TESTS

Acceptance tests provided for in the Contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours. If the Contract does not specify the technical requirements for such tests, they shall be carried out in accordance with general practice in the branch of industry concerned. Supplementary or special tests must be specifically agreed when the Contract is stipulated and they will be at the Buyer's expenses.

4. DELIVERY TERMS

4.1. Delivery terms which the parties may have agreed are merely indicative and consequently they do not bind the Seller. However, should a delay in delivery for which the Seller is liable exceed 90 days, the Buyer will be entitled to terminate the Contract with respect to the Products the delivery of which is delayed, by written communication to the Seller. Except in case of fraud or gross negligence of the Seller, any claim for damages arising out of non-delivery of or delay in delivery is expressly excluded.

4.2. In any case, any delays due to causes beyond the Seller's control (e.g.: delays in delivery by suppliers, procurement difficulties), force majeure (as defined in art. 10.1 of these General Conditions) or acts or omissions by the Buyer (e.g.: failure or delay in communicating the data necessary to process the order, non-payment even if referring to a previous supply, etc.) shall not be considered attributable to the Seller.

4.3. The Seller may perform the order partially or in different shipments. If the order is carried out only partially, the Products which have not been shipped will be included, as far as available, in the following shipment.

4.4. In case of non-standard Products, the Seller will commence production only after having received the advance payment or the notification of the documentary credit from the Buyer, pursuant to Article 7 below.

5. DELIVERY AND SHIPMENT - PASSING OF RISK

5.1. Unless otherwise agreed, the supply shall be deemed to be made Free Carrier (FCA). In any case, even by way of derogation from the agreed Incoterm, the parties hereby expressly acknowledge that for all legal purposes, the place of delivery must be understood as that where the Products are handed over to the first carrier at the Seller's premises.

5.2. In any case, whatever delivery term may have been agreed by the parties, the risks shall pass to the Buyer at the latest when the Products are handed over to the first carrier.

5.3. The Buyer is under the obligation to take or accept delivery of the Products at the agreed delivery date. If the Buyer expects to

be unable to accept delivery of the Product on the agreed date, he shall immediately notify the Seller in writing, explaining the reasons and, if possible, indicating the new date on which he can accept delivery. The Seller is entitled to make the payment term for the goods start from the delivery date originally agreed. The Seller may, in writing, put the Buyer in default and order him to accept delivery within and no later than 20 days, after which the Contract shall be deemed terminated. The Seller shall in this case be entitled to retain the down payment received as liquidated damages, without prejudice to the right to compensation for any further damage suffered as a result of the Buyer's non-performance.

6. COMPLAINTS

6.1. The Buyer must check the Products immediately upon arrival. Any complaints relating to packing, quantity, or exterior features of the Products (apparent defects), must be notified to the Seller in writing within 15 days from receipt of the Products; failing such notification the Buyer's right to claim the above defects will be forfeited. Any complaints relating to defects which cannot be discovered on the basis of a careful inspection upon receipt (hidden defects) shall be notified to the Seller in writing within 15 days from discovery of the defects and in any case not later than 12 months from delivery; failing such notification the Buyer's right to claim the above defects will be forfeited.

6.2. The notice must indicate precisely the defect and the Products to which it refers. If the Buyer claims the Products to be defective, he shall send to the Seller – when he notifies the complaint – evidences to the extent necessary to enable the defect to be verified, unless otherwise agreed in writing. The Products which are claimed to be defective must remain at the Seller's disposal in order to be examined. No returns are admitted, unless upon prior agreement with the Seller.

6.3. It is agreed that any complaints or objections do not entitle the Buyer to suspend or to delay payment of the Products as well as payment of any other supplies.

7. PRICES AND PAYMENT

7.1. Unless otherwise agreed, prices are to be considered FCA, for Products packed according to the usages of the trade with respect to the agreed transport means. The agreed prices are net of all charges, duties and taxes, which shall be borne exclusively by the Buyer.

7.2. Any significant variation that occurs during the performance of the Contract may entitle to a proportional revision of the prices.

7.3. Payment shall be made in compliance with the terms provided in the order confirmation sent by the Seller to the Buyer. If the terms of payment are not indicated in the order confirmation, payment shall be

made by documentary credit, or advance payment.

7.4. Whatever the means of payment used, payment shall not be deemed to have been made before the relevant amount has been fully and irrevocably credited to the Seller's bank account. Unless otherwise agreed, any expenses or bank commissions due with respect to the payment shall be for the Buyer's account.

7.5. If the Buyer fails to pay on the agreed date, the Seller shall be entitled to default interest pursuant to Legislative Decree No. 231/2002 (as amended) from the date on which payment should have been made. In the event of late payment, the Seller shall also be entitled to suspend performance of the Contract until receipt of the amount due. After 20 days from the due date of payment, the Seller shall have the right to terminate the Contract, by written notice to the Buyer, and to retain as liquidated damages the advance payment received, without prejudice to the right to compensation for any further damage.

7.6. Should the Seller have reasons to fear that the Buyer cannot or does not intend to pay the Products on the agreed date, he may make delivery dependent on obtaining an appropriate payment guarantee (e.g. surety or bank guarantee). Furthermore, the Seller may, in case of delayed payment, unilaterally modify the terms of payment of other supplies and/or suspend their performance until he obtains appropriate payment guarantees.

8. RETENTION OF TITLE

8.1. The Products shall remain the property of the Seller until paid for in full. The Buyer undertakes to refrain, until payment is completed, from any act that may prejudice the rights of the Seller, such as, e.g., reselling, transferring or giving the Products in guarantee, without the previous consent of the Seller. The Buyer will, at the Seller's request, assist him in taking any measures necessary to protect the Seller's title to the Products in the country concerned. The retention of title will not affect the passing of risk under Article 5.

9. LIABILITY FOR DEFECTS - WARRANTY

9.1. The Seller will remedy any defect resulting from faulty design, materials or workmanship under the conditions stated hereafter for the parts of the Product manufactured by him. The Seller does not warrant parts and components (such as the engine, alternator, software, etc.), which are covered by the warranty of the relevant manufacturers, copy of which is among the documents enclosed with the Product, where there is also a list of service centres to which the end user can refer.

9.2. Save for the provision under Article 9.1, the Seller undertakes to remedy any non-conformity (defect) of the Products for which he is liable, occurring within twelve

months from delivery of the Products to the Buyer, provided such defect has been notified timely in compliance with Article 6.1. In such case the Seller will, at his choice, either replace or repair the Products (or parts of the Products) which result to be defective.

9.3. In case of defects for which the Seller is responsible, the Buyer shall return the product to it for repair and replacement at his own expenses. On their receipt, the Seller will carry out the repair or replacement of the faulty parts at its premises and will then supply them back to the Buyer, bearing the relevant costs. All expenses involved in rendering the Product or part accessible - including disconnection and reconnection, towing, carriage, subsistence, owners own labour charges, hiring of special equipment - shall be met by the Buyer. In case of failure to return the defective Products or components, the spare parts that had been sent in their replacement in the meantime will be invoiced as a sale.

9.4. The Seller is not liable for any defect or non-conformity of the Product that may arise, even indirectly, from drawings, plans, information, software, materials, components, and whatever else, supplied, indicated or requested by the Buyer or by third parties acting, in whatever capacity, on the latter's behalf.

9.5. The Seller's warranty only covers defects which arise with respect to Products used in conformity with the Contract, with the Seller's instructions, manuals etc., and under proper use of the Product. The Seller's warranty does not cover defects which are caused by faulty maintenance, incorrect erection or faulty repair by the Buyer, or by alterations carried out without the Seller's consent in writing. The Seller is not liable in case of special environmental conditions, or for any other circumstances not mentioned in the purchase order of the Buyer. The warranty does not cover the costs of normal maintenance or regular servicing of the Product. The warranty also does not include repair costs incurred by the Buyer at its discretion, for failures not ascertained by the Seller or its delegate, or unreliable as not sufficiently proven. The warranty expires anyhow if the Product is overloaded as to the nominal ratings shown on the plate.

9.6. Except in case of fraud or gross negligence, The Seller's only obligation in case of non-conformity (defects) of the Products will be that of replacing or repairing the defective Products in conformity with this Article. It is agreed that the warranty under this Article (i.e. the obligation to repair or to replace the Products) is in lieu of any other legal guarantee or liability with the exclusion of any other Seller's liability (both contractual or extra-contractual) which may arise from the Products supplied (e.g., damages, loss of production, profit, use, loss of chances,

indirect damage, consequential damage, lost profit, etc.).

9.7. The Seller does not warrant that the Products conform to special specifications or features or that they are suitable for a particular use, unless and to the extent this has been expressly agreed upon in the Contract or in documents referred to in the Contract for such purpose.

9.8. The Seller has no obligation to give assistance under the warranty if the Buyer is not complying with his payment obligations.

10. FORCE MAJEURE

10.1. The Seller shall have the right to suspend performance of its contractual obligations when such performance becomes impossible or unduly burdensome because of unforeseeable events beyond his control, such as strikes, boycotts, lock-outs, fires, war (either declared or not), civil war, riots, revolutions, requisitions, embargo, epidemic, pandemic, energy black-outs, delay by its suppliers in delivery of components or raw materials.

10.2. Should the suspension due to force majeure last more than three months, either party shall have the right to terminate the Contract by a 30 days' written notice to the counterpart.

11. JURISDICTION AND LAW APPLICABLE

11.1. The competent law courts of Parma (Italy) shall have exclusive jurisdiction in any action arising out of or in connection with the Contract. However, as an exception to the principle hereabove, the Seller is in any case entitled to bring his action before the competent court of the Buyer's place of business.

11.2. These General Conditions as well as the Contracts are governed by the United Nations Convention on the International Sales of Goods (Vienna 1980 - CISG) and, with respect to issues not covered by such Convention by the laws of Italy.