

CONTRACT GENERAL CONDITIONS

1. Scope of application

- 1.1. The present General Conditions will apply to all Contracts entered by the parties and having as subject the design and/or supply of products made, assembled and/or distributed by Colombo Filippetti s.p.a. The parties are expressly bound to comply with these conditions, being agreed from this moment on that any change or derogation will have to result from a further written document.
- 1.2. The present General Conditions are meant as tacitly accepted, 7 days after their date of receipt – even by fax transmission.
- 1.3. The present General Conditions will not apply for those contracts having as subject the design, production, assembly and/or distribution of prototypes, which will be negotiated under specific and separate form.

2. Definitions

- In order to ensure a correct interpretation of the present General Conditions, the following terms should be related to the following meanings:
- **Supplier:** Colombo Filippetti s.p.a., VAT no. 00214720161, located at Casirate d'Adda, street G. Rossini, n. 26.
 - **Customer:** the person so defined in the offer or the one who sent the Order to the Supplier. The seat of the Customer is meant to be the address stated in the offer or, if different, in the Order. Unless otherwise specified, the Supplier will take in consideration, for the purposes of the fulfilment of the commitments taken on and for the transmission of any communication, such address only;
 - **Parties:** Supplier and Customer;
 - **Offer:** the document and the relevant attachments, if any, containing the Contract proposal formulated by the Supplier;
 - **Order:** the document and relevant attachments, if any, with which the Customers formalizes his order of supply in compliance with the offer received, or rather formulates his contract proposal, failing a previous offer or modifying the same;
 - **Order confirmation:** the document and the relevant attachments, if any, by which the Supplier, failing a previous offer or in case of non-conformity between the offer and the order, accepts the latter that's to say the document and the relevant attachments which prove that the Contract has been finalized.
 - **Attachments:** the documents enclosed with the Contract;
 - **Goods:** the products produced, assembled and/or distributed by the Supplier, object of the supply commitment taken by the latter towards the Customer;

3. The Offers

- 3.1. Offers formulated by the Supplier engage the latter for a period of 30 days from the date of dispatch of the same to the Customer.
- 3.2. The indications contained in the price lists, catalogues and leaflets of the Supplier, if not mentioned in the contractual documents issued by the Supplier, are not-binding in any case for the latter, who has the right to make any changes he deems to be appropriate at any time.
- 3.3. Though the Supplier has to take the utmost care in the drawing of price lists, catalogues and leaflets, he cannot be in any way liable for possible errors or omissions therein contained.

4. Contract execution, changes and transfer restriction

- 4.1. The contract is accomplished once the Supplier receives an order in conformity with his previous offer, being the order valued as acceptance.
- 4.2. Failing the offer or in case the order is not in conformity with the same, the order will have the value of new proposal, to be considered irrevocable for a period of 15 days from the date of its receipt and accepted by the Supplier through the dispatch of an order confirmation, or rather starting the contract execution according to art. 1327 c.c.
- 4.3. In case the contract execution is not proved by documents and the case of point 4.2 does not occur, the contract execution will be proved by the order confirmation only, which will be considered as accepted by the Customer under the present General Conditions and the special conditions therein contained, seven days after the date of receipt – even by fax transmission – of the same, failing otherwise written communication.
- 4.4. Any possible notification to the contractual conditions will have to be agreed upon in writing by the Parties.
- 4.5. The Customer cannot transfer to third parties, entirely or partly, the Contract, without prior written consent from the Supplier.
- 4.6. Being understood the compliance with his quality standards, the Supplier is from now on authorized to sub-commission, entirely or partly, to third parties the production of components or the accomplishment of works/activities necessary for the execution of the supply.

5. Prices

- 5.1. The prices of the goods are those stated in the offer or in the order confirmation and are meant for goods delivered ex-works of the Supplier.
- 5.2. The price does not include any costs for packing, transport, shipment nor the contribution for the eventual design works which is at Customer's cost.
- 5.3. As far as the packing costs are concerned, they are calculated on a flat rate basis between Euro 5,00 and 200,00, to be established by the Supplier depending on the type and dimension of the required packing taking in consideration cost saving criteria and according to the standard technique used by the Supplier. In the event that, upon request of the Customer or according to a technical choice of the Supplier, a special package is necessary, the relevant price will be object of specific negotiation between the parties.
- 5.4. The Customer has the right to request no packing, assuming in this case any relevant and consequent risk.

6. Types of supply and design works

- 6.1. The object of the supply can be "standard" products already described in the Supplier's catalogue with the specifications mentioned therein. In that case no adjustment shall be requested to the Supplier to meet specific technical requirements of the Customer.
- 6.2. In case instead the supply foresees the adjustment of the standard products listed in the catalogue and their modification in conformity with the technical indications and the requirements of the Customer, the latter will have to pay a contribution for the design, calculated on a flat rate basis not exceeding Euro 650,00 or corresponding to the different amount stated in the order confirmation/offer.
- 6.3. In the different case in which the Customer requires the supply of special goods – that's to say goods requiring particular and more complicated design for their realization, according to unquestionable judgement of the Supplier – the Parties will agree from time to time the price and the terms of payment of the contribution for the design.
- 6.4. In any case when the supply implies a design work, the same has to be shared at the time of the

formalization of the contract, except for the case in which the Supplier is requested a merely design work, being the work itself the subject of the contract and thus resulting in an independent payment obligation.

- 6.5. Excluding the case of the supply of merely design work, as stated in the previous paragraph, it is agreed that the design will belong to the Supplier; the Customer cannot in any way use it, directly or indirectly, without prior written consent of the Supplier himself.
- 6.6. The dispatch of an offer, of the order or of its confirmation is meant, in the aforementioned case, to be made on the basis of design already approved by the Parties; in this case the Supplier will have to execute it carefully and will not be deemed liable for any faults or defects of the project itself which have not been claimed by the Customer before the execution of the contract. In any case the Supplier will not be deemed liable for any faults or defects of the design resulting from incorrect or incomplete indications, data and specific technical information provided with by the Customer (directly or through his delegates).
- 6.7. Eventually, in the event that, in spite of a preventive design works, the contract is not finalized (due to failed formalization of the order or for other reasons) the Supplier can, at his unquestionable judgement, decide to hand over to the Customer the designs, inclusive of drawings and eventual patterns, upon payment of a compensation in line with the market parameters, or rather decide to keep the exclusive property upon refunding of the expenses. In the latter case the Customer could not in any way, directly or through third parties, make use of such design nor of technical and market information obtained by the Supplier, and that are strictly confidential.

7. Design work and modifications

- 7.1. The Supplier is entitled, in any case and any time, to bring to the shared project all the changes and adjustments deemed suitable or necessary to improve the final product commissioned by the Customer.
- 7.2. Should the above modifications determine a variation in the amount due, the Customer shall be previously informed and confirmed by the latter in a written form. Failing the authorization the goods shall conform to the original design, it is understood that the Supplier is entitled to terminate the contract if the adjustments he required are deemed essential. In this case the Supplier can ask for a compensation fixed in 10% of the total amount agreed for the production of the goods.
- 7.3. Possible modifications requested by the Customer, whether in the designing or production stage, will be evaluated by the Supplier independently, basing on the feasibility, costs, time required, and effected only by prior written acceptance of both contracting Parties of the economic and/or delivery consequences arising.
- 7.4. The Customer is obliged to cooperate with the Supplier, delivering all the necessary commercial and/or technical documents, data and/or materials required for the accomplishment of the contract, in due time.

8. Planned purchasing

In case the object of the contract is referred to a series of products to be made within a fixed time, the Parties shall agree on a planning of the deliveries according to previously established delivery times and quantities. Every eventual schedule variation shall be agreed upon by both Parties in written form.

9. Payment and transfer of the property

- 9.1. The full payment of the price due by the Customer has to be made at Supplier's seat in accordance with the due dates and the terms established in the contract.
- 9.2. In the event of a delay in the payment, the respite interests calculated on the average banking rate for loans, increased of four points, as well as the legal interests, will apply automatically, without further issuance of formal notice of default.
- 9.3. As an effect of art. 1523 and 1524 c.c., the Customer will have the ownership of the supply only after the full payment of the due amount.
- 9.4. As an effect of art. 1462 c.c., the Customer is not entitled, in any case and by no means, to raise objections to avoid or delay the payment as established above.
- 9.5. Any advance/partial payment paid by the Customer is to be intended unfruitful, even in case of contract cancellation (unless the cancellation is due to a fault or negligence of the Supplier).

10. Delivery and collection

- 10.1. The Supplier will strive with utmost care and competence to keep the delivery terms stated in the offer, in the order and in the order confirmation. The customer shall acknowledge the fact that these terms can vary within reasonable tolerance margins and for this reason they have to be considered as a mere indication.
- 10.2. If the contract does not contain any different written indications, the delivery of the supply is to be considered complete with the collection by the Customer himself or through a third person, from the Supplier's seat or when the goods are consigned to the forwarder appointed by the Customer. The packing, transport and shipping expenses are at Customer's cost.
- 10.3. The customer will take on all risks once he receives the goods. Therefore, the Supplier shall not be responsible for any wearing/damage occurred after the transfer of the risk to the Customer, who is anyway obliged to pay the established amount in full.
- 10.4. In the event of a delay in the collection of the goods by the Customer, eight days after the expiring of the fixed term, the Supplier is entitled to make arrangements for the packing, transport and shipping of the supply, charging all the arising expenses on the account of the Customer. The Supplier shall inform in advance the Customer of the expiration of the term and of his will to exercise his right established in the present clause. In this case, any eventual damage to the goods will be charged to the Customer, starting from the date of the sending of the notice.
- 10.5. The Supplier shall in any case be relieved from any obligations as regards the delivery terms, if:
 - The Customer does not meet the established payment conditions;
 - The Customer does not comply in full or even partially with his contract obligations;
 - In case of force majeure or of events such as (i.e. but not exhaustive examples): lockouts, strikes and non-authorized job leaves of the staff, both employed or not, epidemics, wars, withdrawals, floods, work-process accidents, stops or delays in transports etc.;
 - The Customer or an appointed third person does not provide in due time the commercial/technical documents, the data/materials required by the Supplier to execute the contract.

11. Test

- 11.1. In case of supply of goods not included in the catalogue, or rather in case the supply requires the assembly of the goods into a complex unit, the Customer is obliged to be present at the cross-examination test that the Supplier may require before the delivery. The test result will have to be reported on special drawn minutes that, if accepted by the customer, will have the value of positive test. In this case, the Supplier shall be relieved from any responsibility for unhidden faults or flaws of the delivered goods.
- 11.2. In case the Supplier deems useful to do the above test, he shall inform the Customer inviting him to schedule a date for the inspection procedure, however within 30 days (thirty days) from the notice. Should the Customer decline the invitation, or fail to be present on the fixed date for the inspection, or the inspection could not be carried out for any negligence or fault of the Customer himself, the

Supplier is entitled to consider the test as performed and the supply checked and accepted by the Customer.

12. Stops

- 12.1. In case of serious, justifiable and substantiated causes, the Customer has the right as an exception to ask a stop in the deliveries, for a period not longer than 60 days.
- 12.2. In case of stop, the Supplier shall immediately invoice the amount of work he has already done with the right to invoice further the stock and storage costs due by the customer for the duration of the stop period.
- 12.3. The ending of the stop period shall be communicated by the Customer with a 7-days notice. In this case the Supplier shall establish the new dates for the delivery, considering the changes in the production and organization conditions in his company's activity.

13. Expressed cancellation clause

- 13.1. Should the Customer be more than 15 days late with the payment of the amount due to the Supplier, the latter is entitled to rescind the contract as an effect of the art. 1456 c.c., informing the Customer by means of a registered letter with receipt.
- 13.3. In this case the Customer is due to pay the Supplier, beside the established amount, a penalty amount fixed at 25% of the total price, with the exception of his right to compensation for major damages.
- 13.3. The provisions at points 13.1 and 13.2 shall be applied, being compatible, also in case the Customer and/or a designed third person do not provide in due time the commercial/technical documents, data/materials required by the Supplier for the execution of the contract, within the agreed terms.

14. Duration and tacit renewal

- 14.1. The present general conditions have a duration of two years starting from the date of their acceptance.
- 14.2. In case none of the two Parties gives notice of termination of the contract by means of a registered letter with receipt to be delivered not later than six months before the expiring date, the present General Conditions will be intended as tacitly renovated for the same period as the original one, and so will be as well at each expiring date

15. Withdrawal

- The Supplier is entitled to withdraw from the present contract and/or from any Contract in case:
- The financial conditions of the Customer are such that they could put at stake the achievement of the payment of the services by the Supplier;
 - The Customer acquires shares in a corporate/firm in competition with the Supplier, or he is taken over or controlled by corporate and/or firms in competition with the Supplier.

16. Guarantee

- 16.1. The Supplier guarantees the correct performance of the goods delivered to the Customer for a period of 12 months from the date of its delivery.
- 16.2. The Customer is obliged to claim in written form, losing otherwise his right, any flaws or differences in the goods within 30 days from their discovery, and anyway not later than the expiration of the 12 months mentioned above. After the claim the Customer shall allow the Supplier to carry out any inspections or tests the latter should require on the supposedly faulty goods.
- 16.3. Any supply shortage shall be immediately reported at the moment of the taking in charge.
- 16.4. The defective parts, or the parts showing production flaws due exclusively to Supplier's negligence, might be either repaired or replaced, according to the Supplier's choice and the modalities he considers better, as long as the normal performance standards of the product are restored.
- 16.5. The guarantee applies only to the replacement or repair expenses for the faulty parts, excluding the transport and packing costs, the products and/or parts to be replaced or repaired, as well as the travel costs, board and lodging of the Supplier's technicians that should eventually perform an intervention at the Customer's seat.
- 16.6. The Supplier is in any case entitled to ask for the delivery and/or to retain definitely the replaced goods, products and/or parts.
- 16.7. In case the goods to be replaced/repared are part of a complex unit/machinery, the assembling and disassembling operations will be excluded from this guarantee.
- 16.8. The present guarantee replaces any other form of legal guarantee, that is meant derogated.

17. Exclusion from the guarantee

- 17.1. The guarantee mentioned in the above paragraph is not effective in case the flaws and faults eventually detected in the goods are due, whether directly or not, to the design, information, software, materials, components or other resources provided by the Customer himself or by an entitled third person, or otherwise from a design work shared and accepted by the Customer himself.
- 17.2. The performance tolerances cannot be considered as flaws or faults.
- 17.3. Equally, the guarantee is not effective in case of faults due to normal wear of the delivered goods or arising from an inappropriate or incorrect use of the same by the Customer or third persons.
- 17.4. Any damages occurred to the goods or the flaws arising after the transfer of risks are not enclosed in the guarantee under any circumstances. The burden of the proof as regards the occurrence of any fault or damage prior to the transfer of risks is to be charged on the Customer's account.
- 17.5. The guarantee shall be considered terminated in case the Customer himself or a third person have carried out any modification and/or repair, or rather any kind of intervention, inspection and/or tampering, without prior written authorization from the Supplier.
- 17.6. In any case, the guarantee will be effective only if the Supplier is allowed by the Customer to perform the necessary inspections on the goods, according to the specifications of the Supplier himself.

18. Supplier's liability

Besides the prevailing laws, the Supplier shall guarantee the regular compliance of the present contract, but he is relieved from any liability, whether within or beyond contract frame, from any direct or indirect damages (referred both to the arising damage and the profit loss) occurred to the Customer and/or third persons, due to the accomplishment of the contract itself, except in the case of events due to the Supplier's serious negligence or dole.

19. Confidentiality

- 19.1. The exchange of information between the contracting Parties during the execution of the present contract are confidential and cannot be disclosed to any third person, unless differently agreed in written form by the counterpart.
- 19.2. The contracting Parties are committed to perform any measures aiming at avoiding that the information mentioned above are acquired by any third person.
- 19.3. The Customer is committed to keep secret and avoid spreading nor using all data and/or documents, as well as drawings and designs, which constitute the aggregate of industrial data, necessary for the production of the goods, object of the contract.
- 19.4. The prohibitions and obligations arising from the present clause are to be considered effective as well after the expiring of the present contract, under any circumstances of expiration.

20. Prevailing laws and competent court

- 20.1. The contract is subject to the provisions established by the Italian law.
- 20.2. Every dispute arising from and/or attached to the present contract, as well as any other controversy, regarding the existence, execution, interpretation, effectiveness, failed accomplishment or termination of the same, that cannot be solved jointly by the contracting parties, shall be composed amicably where possible, through a preliminary attempt to be started by a simply request from the Party involved.
- 20.3. In case the above conciliation attempt should fail, the Court of Bergamo will be competent for any following dispute, and it will be called for only after thirty days from the request of conciliation.

Place, date

Colombo Filippetti s.p.a.

Customer