

GENERAL TERMS OF SALE

1. SUBJECT.

1.1 These General Terms of Supply of Machinery and Services ("General Terms") concern the supply of machinery ("Machinery") and any related installation and assembly services ("Services") provided by Bavelloni S.p.a. ("Seller") to a customer ("Purchaser"), as indicated in the separate sale contract ("Contract").

1.2 These General Terms also apply to all products, spare parts or accessories supplied and/or installed by the Seller as part of the delivery of the Machinery. In no case will general terms or terms of any other nature relating to the supply of the Machinery and Services supplied by the Seller be applied to the Purchaser.

2. MACHINERY AND SERVICES.

2.1 The final technical characteristics of the Machinery are those described in the Contract and in its Annexes. The Machinery and respective safety accessories are compliant with the laws and regulations of the country in which the Machinery is manufactured, based upon the Machinery Directive 2006/42/EC, Electromagnetic Compatibility Directive 2004/108/EC. The Purchaser will be responsible for ensuring the compliance of the Machinery with any specific national laws in force in its country.

2.2 If the Machinery subject to the contract is placed in line with other Machinery, it will be the Purchaser's responsibility to request and obtain the CE certification of the entire line.

2.3 The Seller will be entitled to request reasonable tolerances with respect to the Machinery and it reserves the right to make modifications to the Machinery in relation to any technical developments, where necessary.

3. PURCHASE PRICE AND PAYMENT.

3.1 The agreed purchase price includes all elements listed in the Contract.

3.2 All prices are net of any local and foreign taxes and levies (such as import duties and licences).

3.3 The order will only be considered such upon receipt of the agreed sum as an advance, to be considered non-interest bearing. Payment advances will be retained by the Seller where the Purchaser, for any reason, revokes the order, without prejudice to compensation for any greater damages.

3.4 The payment is understood to be made when the Price or any residual sums are available to the Seller at the designated bank.

3.5 The Purchaser may not for any reason postpone any payments to a date after that agreed in the sale contract, or retain sums to justify any complaints with respect to the agreed payment instalments.

3.6 Unless otherwise agreed, the interest rate for delayed payments will be equal to the rate applicable by law, from the due date until payment of the balance.

3.7 If the Purchaser fails to make one of the payments, the Seller will be entitled to suspend the production, delivery and/or Services or any other goods or Services ordered by the Purchaser, as well as to interrupt the delivery of the Machinery or other goods in transit, without prejudice to any other rights or remedies of the Seller.

4. TERM OF DELIVERY, PREPARATION, TRANSPORTATION AND PACKAGING.

4.1 The term of delivery, the cost and the respective insurance for transportation are those indicated in the order and are interpreted in compliance with Incoterms 2010.

4.2 The delivery date indicated in the Contract is indicative. If not otherwise specified in the Contract and in the respective annexes, in no case may the Seller be liable for any fines, payments of damage, discounts, price reductions, compensation or damage resulting from any delays.

4.3 Any supply by the Seller of installation Services agreed in the Contract will not relieve the Purchaser from the obligation to prepare the installation site in compliance with the characteristics of the Machinery, the requirements and instructions of the Seller, as well as the applicable accident prevention laws.

4.4 The Purchaser must prepare the installation site at its own care and expense in compliance with its dimensional, functional and environmental characteristics, as well as the installation and electrical requirements of the Machinery, as well as with other instructions or other requirements provided by the Seller.

4.5 If the Purchaser cannot accept the delivery by the estimated arrival or delivery date, it will be liable for the storage costs and any additional transportation costs.

4.6 The Price includes the cost of packaging adequate to the type of transportation and the characteristics of the Machinery and materials.

4.7 Any packaging or special protections required by the Purchaser will be paid for exclusively by the latter.

5. ASSEMBLY AND INSTALLATION.

5.1 Annex 2, Installation Manual, is an integral part of the sale contract.

5.2 The cost of assembly and installation is borne by the Purchaser and, if the assembly and installation is not requested at the same time as signing the sale contract, the aforementioned assembly and installation costs will be charged to the Purchaser according to the rates in force when they are requested.

5.3 The Purchaser is also responsible for labour in assistance to the fitters, any masonry works, blacksmith, electrician, handling of Machinery, electricity and consumable materials for tests performed by the fitters, along with the hours of inaction by the technician due to the failure by the Purchaser to provide the site and anything else required to be able to perform the assembly and installation.

6. ACCEPTANCE.

6.1 Upon completing the installation the parties will sign the "Product acceptance specifications" set out in Annex 3, an integral part of the sale contract, in confirmation of acceptance of the Machinery by the Purchaser.

6.2 The Seller may disable the Machinery (meaning make it unusable) at any time before the Seller has completed the installation and agreed training activities, and before the Purchaser has signed the acceptance specifications without reserves and made the due payment.

6.3 It is agreed that the Machinery will not be used by the Purchaser prior to the signature of the acceptance specifications by the Purchaser itself.

6.4 If the Purchaser, contrary to the foregoing and without the consent of the Seller, uses the Machinery, the Machinery is deemed to be accepted in full.

7. RESERVE OF OWNERSHIP AND TRANSFER OF RISKS.

7.1 The entire supply remains under the ownership of the Seller until the full agreed payment has been made, meaning it is sold with the title retention referred to in Art. 1523 of the Italian Civil Code.

7.2 In any case, the transfer of risks from the Seller to the Purchaser occurs at the time of delivery.

7.3 For as long as the ownership remains with the Seller, the latter is entitled to make the Machinery unusable at any time.

8. WARRANTY.

8.1 The warranty covers any defects and/or deformities of the Machinery and it is granted for a period of twelve (12) months from the installation date and in any case within 16 months from the invoicing date if the installation does not take place simultaneously with the delivery of the Machinery and, in any case, for no more than 2,000 hours of work of the Machinery itself.

8.2 Without prejudice to what is provided in this article, the Warranty referred to above will not cover:

- defects and/or deformities caused by improper use or storage or by normal wear of the Machinery;
- defects and/or deformities deriving from incorrect maintenance of the Machinery by the Purchaser or from unauthorised alterations of the Machinery itself;
- defects and/or deformities deriving from materials supplied by the Purchaser;
- any defects and/or deformities deriving from natural disasters, fault or negligence of the Purchaser and/or improper, incorrect or unauthorised use of the Machinery, or use of the Machinery in a manner not compliant with that for which it was designed, created or intended, or for an external cause, not due to the Machinery.

8.3 In any case, the Warranty will be irrevocably suspended where:

- there are unpaid payments by the Purchaser in favour of the Seller;
- the Machinery is used in a manner not compliant with the instructions for use and the manuals of the Seller;
- the environmental, electrical or other conditions in the site are not those specified in the Contract;
- unoriginal tools or spare parts are used or if the Machinery has been moved without the written consent of the Seller;
- the installation has not been performed in a manner compliant with the Seller's instructions.

8.4 If a defect and/or deformity is found with the Machinery during the Warranty period and that defect is not attributable to the Purchaser, the Seller may, at its discretion, replace or repair the defective part or component within the Warranty period, provided that the Purchaser, after having identified the defect, has promptly sent a written complaint to the Seller.

8.5 The warranty for the individual replaced or repaired components of the Machinery will be limited to the duration of the original warranty indicated above. Therefore, the replacement and/or repair of parts under warranty will not extend the period of that warranty.

8.6 Any parts of the Machinery deemed to be defective must, where requested by the Seller, be returned in order to undergo checks. If it is decided that the defect is not covered by the Warranty, the Purchaser will pay the cost of shipping and verification.

8.7 The Seller will have the right to inspect and repair the defective part of the Machinery at the site at which it is located, and the Purchaser may perform the repairs or have them performed subject to written consent of the Seller.

8.8 The Warranty granted above is extended only to the Purchaser and is not transferrable to third parties.

8.9 The Seller reserves the right to make technical modifications to the products and to individual components and/or to vary the specifications of the products without being obliged to make those modifications and changes to products sold and/or delivered previously to its customers.

8.10 During the warranty period, the cost of hours, travel expenses and food and accommodation expenses will be borne in full by the Purchaser.

8.11 The assistance under warranty does not include normal maintenance of the Machinery and the replacement of parts due to normal wear.

8.12 The Purchaser is responsible for checking the integrity of the transported Machinery upon delivery.

8.13 If the Purchaser does not dispute immediately upon the unloading of the Machinery any defects and/or damages deriving from that transportation, the liability for those defects and/or damages will be exclusively borne by the Purchaser and nothing may be claimed from the Seller for that reason.

8.14 Any different warranty, even legal, must be deemed to be excluded and superseded by these terms.

9. CONFIDENTIALITY

9.1 Any drawings, technical documents, manuals and prospectuses sent to the Purchaser will remain the exclusive property of the Seller.

9.2 The Purchaser may not, without the written consent of the Seller, use those drawings or technical documents for purposes other than the fulfilment of the Contract and in no case may it copy, reproduce, send or communicate them to third parties without the written consent of the Seller.

9.3 The foregoing also applies to any additional drawings sent before or after the acceptance of the Machinery.

10. CONTRACT SUSPENSION OR TERMINATION.

10.1 The Seller will have the right to suspend and/or terminate this Contract by simple written communication and with immediate effect if the Purchaser fails to fulfil duly and entirely its obligations to pay the price (including the payment of the advance or the presentation of suitable payment guarantees).

10.2 The Seller may also terminate this Contract with immediate effect, by simple written communication where the Purchaser is subject to insolvency proceedings, or its financial conditions substantially change in such a way as pose a risk to the counterparty (by way of example: subjection to foreclosures for significant amounts, state of insolvency, raising of protests against it, etc.).

11. LIABILITY.

11.1 The Purchaser must undertake all actions necessary based upon applicable directives, laws and regulations and other mandatory actions, formalities and customs to remove or reduce any risks to health and/or safety that may result from the use or storage of the Machinery, and it must hold harmless and keep indemnified the Seller from any complaint deriving from the lack of compliance with those requirements by the Purchaser.

11.2 If the Machinery is used in a manner contrary to the instructions and manuals provided by the Seller or for purposes other than those indicated, or it is modified, repositioned or altered without the written consent of the Seller or has not undergone correct maintenance (e.g. use of unoriginal spare parts), in compliance with the maintenance manuals, by authorised personnel, the Seller will not be liable for any damages to property, death or injuries to the Purchaser and/or to third parties.

11.3 The Seller, in order to maintain or improve the safety of the Machinery, will have the right to provide instructions and orders with respect to the use of the Machinery and to repair defects and deformities in relation to the safety of the Machinery.

11.3 Both parties must guarantee that their personnel and the personnel of any contractors comply with all applicable regulations on health and safety, without limitations, particularly during the installation, training and commissioning procedures. For the avoidance of doubt, the personnel of the Seller, even where they perform the role of supervisor, will not be responsible for ensuring that the personnel of the Purchaser or any contractors comply with the aforementioned rules.

11.4 In no case will the Seller be liable, irrespective of the cause, for:

- (i) damages relating to products created in whole or in part at the structures of the Purchaser or with the use of any Machinery,
- (ii) injuries to persons (including death) or damage to property caused by improper use or inadequate maintenance of the Machinery, or
- (iii) any accidental damage, direct or indirect or consequent, or, more specifically, by way of example, any damage attributable to:
 - (a) loss of profits, loss of business or earnings, loss of reputation, loss of production, loss of data, complaints by customers of the Purchaser, costs resulting from interruptions of the line or business of the Purchaser,
 - (b) delayed delivery, unloading or transportation of equipment.

11.5 The total liability of the Seller will in any case be limited to 5% (five per cent) of the price of the Machinery.

12. FORCE MAJEURE.

12.1 Cases of force majeure will be considered, inter alia, to be those events that occur after the entry into force of the Contract and that prevent its execution: national strikes and trade union disputes, fire, explosion or other similar events, mobilisation, requisition, incident, restrictions on the use of power, natural events, terrorism, acts or omissions of carriers, quarantines, epidemics or catastrophes.

12.2 The party that intends to make recourse to Force Majeure must communicate this to the other party, without delay, upon the start of the occurrence of the Force Majeure event or as soon as possible and subsequently communicate its conclusion.

12.3 If a Force Majeure event occurs, neither party will be liable for the lack of compliance with the obligations indicated here, and the time for implementing the obligations by the party will automatically be extended.

13. DISPUTES AND APPLICABLE LAW.

13.1 This Contract is regulated by Italian law.

13.2 For any dispute deriving from the interpretation and implementation of this contract, the parties agree upon Italian jurisdiction and identify the Court of Milan as the Judicial Authority competent to settle the disputes.

13.3 Where and only if the Purchaser's country requires, by mandatory rule of law, arbitration to settle disputes of contractual nature, it is agreed that all disputes deriving from this contract will be settled on a final basis in Italy in accordance with the Arbitration Regulation of the Arbitration Chamber of Milan by one or more arbitrators appointed in compliance with that Regulation and the Italian code rules.

14. PRIVACY POLICY ON PERSONAL DATA PROCESSING. (Italian Legislative Decree 196/2003 "Privacy Code" as amended).

14.1 The Seller processes the personal data provided by the Purchaser, or otherwise acquired even from third parties, using computer and/or manual tools. The personnel of the Seller and the manager, if appointed, have access to the data.

14.2 The data is processed for purposes connected to obligations provided by law, regulations and the legislation in force, to execute/finalise the Contract, for the registration of customers/suppliers, for handling disputes.

14.3 The Purchaser may request the updated list of Managers and entities to which the data is communicated which are: authorities, public institutions, credit institutions, collaborators and third parties that have relationships with the Company, freelancers as well as officers in charge of maintaining the company's hardware and software tools, other group companies.

14.4 The Purchaser may exercise at any time the rights set out in Art. 7 "Privacy Code", for example, obtain confirmation of the existence or otherwise of the data, verify its content, origin, accuracy, request its supplementation, update, rectification, deletion, transportation into anonymous form, block as a consequence of a violation of the Law, object to its processing for legitimate reasons.

14.5 The Privacy Controller is BAVELLONI SPA – Via Natta, 16 – 20823 LENTATE SUL SEVESO (MB), in the person of its acting legal representative.

Lentate Sul Seveso, _____

The Purchaser
(stamp and signature of legal representative)

The Purchaser declares to have read and clearly understood the content of the general terms of sale of the Supplier set out above. The Purchaser specifically approves, in accordance with Art. 1341 of the Italian Civil Code, the content of the following clauses: 2. Machinery and Services, 3. Purchase Price and Payment; 4. Term of Delivery, Preparation, Transportation and Packaging; 5. Assembly and Installation; 6. Acceptance; 7. Reserve of Ownership and Transfer of Risks; 8. Warranty; 9. Confidentiality; 10. Contract Suspension or Termination; 11. Liability; 12. Force Majeure; 13. Disputes and Applicable Law; 14. Privacy Policy on Personal Data Processing.

Lentate Sul Seveso, _____

The Purchaser
(stamp and signature of legal representative)