

## **SALES CONDITIONS**

### **1. DEFINITIONS**

- a. In this General Terms of Business and Delivery Conditions , when the context requires not a different explanation, the words and the expressions below have the following meaning:
  - i. SUPPLIER, refers to Petrone Oleodinamica s.r.l., which has its seat in Prolungamento Via Luigi Pasteur, Zona PIP, 70024 Gravina in Puglia;
  - ii. CUSTOMER, refers to the individual or the business company, which sends to the supplier a purchase order.

### **2. GENERAL TERMS**

- a. The following general terms of business and supply conditions are well-founded for all the business relations between the SUPPLIER and the CUSTOMER, even if, in next time, they would not concern to those terms;
- b. In order that every statement turns into a legally binding statement, it must be necessary to evidence it in writing. Communications received by fax and / or by e-mail will be considered as declarations made in writing;
- c. Even if a standard contractual clause, included in this or in other agreements between the parties, happens to be completely or partially void, it must be displaced with a new clause, having a legal and economic effect as equal as possible to that of the first one;
- d. Particular definite diverging agreements in writing between the parties have the precedence.

### **3. CONCLUSION OF THE AGREEMENT**

- a. The supplier's offers are without commitment. Contracts of sale referring to a single supply are closed when the supplier receives its acknowledgement of order signed by the customer. Even if the confirmation of order would never been received or sent, the contract would be closed since the supplier sends the supply free carrier;
- b. The customer's purchase conditions are well-founded only if the supplier accepts them clearly in writing, or else they shall not apply. The order acceptance, the supply or the supplier's silence on the matter are not to be taken as the acceptance of the customer's sales conditions.

### **4. RELEVANCE OF SUPPLIES AND OTHER PERFORMANCES**

- a. The contract contents, including the characteristics of the supply and other performances, are determined according to the order confirmation or to the supply's documents, including their additions, and, if need be, they're completed by the informations included in the offer.
- b. The supplier could carry off supply and other performances by way of derogation from the order confirmation, only if it poses no particular problems and any rise of price;
- c. All tools for products realization, plans and related things not belong to the supply rights of the customer. Instead, they are unrestricted property of the supplier. This is true even if these tools are adjusted starting from informations and guidelines given by the customers and /or even if their associated production costs are separately invoiced to the customer.

### **5. TECHNICAL DATA, PLANS AND DOCUMENTS RELATED TO THE DELIVERY**

- a. Plans, photos, pictures, descriptions, technical data, performances and all other informations referring to products, included whether in documents and plans attached to the supplier's offer, whether in catalogs, offering statements, price lists and advertisings of

the supplier, they have purely information nature. Differences and changing would not just constitute a means of rejection of products or a means of submitting a claim;

- b. All the plans sent to the customer and submitted for its approval would be automatically assumed as approved by him, unless they would be returned to the supplier, including dissimilar advisory opinions, commentaries and notes, before ten workdays or, anyway, within the prescribed time;
- c. Descriptions, technical data, plans and all other informations included in the offer or related to the supply would be unrestricted supplier's property and they would never be duplicated or conveyed to third parties, unless the supplier agrees in writing.

#### 6. PROVISIONS IN COUNTRY OF FINAL DESTINATION / IN RELAY COUNTRY

The supplier's deliveries conform to the Italian Law provisions. If it's needed to enforce other divergent or supplementary legal, administrative provisions and /or other existing directives and laws of the country of final destination, the customer has to notify it to the supplier earlier than the order. If the customer doesn't notify these informations, he would not have the right of claim against the supplier and he could not claim for damages due to the violations of these laws. In addition, he has to indemnify the supplier against contingent claims on the matter by third parties and just against additional costs.

#### 7. PRICES

- a. All prices are exclusive of tax, carriage paid, they not include packaging costs and downward. The additional expenses, as transport costs, packaging costs, property insurances, Export and Import Authorizations, Transit Authorizations, certificates and every kind of fees, taxes, custom duties and similar items to be levied, with regard to the agreements or to the supply, belong to the customer. These additional costs could be directly invoiced by third party or by the supplier.

#### 8. PAYMENT TERMS

- a. The customer must effect a currency payment at the supplier's domicile within the prescribed terms in the order confirmation or in the supply's documentation, without deduction of discounts, fees, taxes, customs duties and the like. Every payment always pays off the invoice or discharges old debts;
- b. The payment's terms will be kept to program even if the transport, the supply, the setup and the implementation of products, the supply approval and / or the provision of services would experience a delay or they wouldn't be carried for full terms because of supplier-made cases. In addition, the customer shall pay if core elements will be missing, or if it is necessary to improve products, but products could still be used anyway;
- c. If the invoice, which can be demanded, is not paid notwithstanding two reminders, all other invoices become recoverable with immediate applicability. Payments held up by the customer for every kind of claims is not allowable. The customer is not authorized to fulfill its liability by simply claiming against the supplier;
- d. In case of deferred payments, without formal notice, the supplier could apply default interests, based on the official discount rate in force when the agreement has been signed, increased of five points;
- e. Payments to supplier's agents or employers are not allowed; they are well – founded only if they present a signed receipt's attorney in writing.

## 9. DELIVERY TERMS

- a. Every handing-over dates, included in the order confirmation in writing, are provisional. The supplier, in any case, is not personally liable of contingent delays and, in any case, the customer has to accept the delivery as soon as it will be ready.
- b. The delivery time could be rightly postdated if:
  - i. the informations, which are necessary to execute the contract, are not given to the supplier or if they will be modified by the customer after their communication to the supplier, causing the delay of some supplies or services;
  - ii. there is any issue arising at the supplier, or at the customer, or at third parties, that the supplier cannot avoid, even if he applies all precautions appropriate under the circumstances. The issues, which we refer to, are: serious diseases, wars, riots, relevant interference with the activities exploitation, accidents, work conflicts, delayed and /or fault commodities, half-finished or final products supplies, waste products, remedial actions or omissions taken by authorities, natural events;
  - iii. the customer or third parties have to finish some works or if they have to fulfill the contractual obligations still. In special way, if the customer submits not to payment conditions, which are initial object of the contract.
- c. If the supply is delayed because of some customer's behaviors, the payment conditions, which were initial object of the contract, will remain intact. In addition, the customer will pay the depositary - insurance charge, as result of the above delay. If the storage takes place in the supplier's workshop, the customer will pay a monthly allowance, conforming at least to 1- 2% of the invoice's amount. The supplier reserves the right as regard to further damages.

## 10. SHIPMENT, TRANSPORT

- a. The shipment takes place at the responsibility of the customer, even if it is agreed a free domicile delivery. If the customer gives not opposite instructions in writing, the supplier fixes the means of transport, the trip and the carriage insurance and he briefs the transport operators at the expenses and the risk of the customer, with no responsibility about the choice of the more expensive or less onerous transport means.
- b. The damage insurance (starting from the delivery ex holding of the producer) is for account of the customer. If the supplier cares for this insurance, related costs would be paid by the customer.
- c. In case of products leakage or damage during the transport, the customer has to refer to the carrier for a collection of matters of fact.

## 11. EXAMINATION AND ACCEPTANCE OF THE DELIVERY

- a. Every supplier's products are inspected by a standard procedures before being supplied. This procedure will be considered as the latest one. If the customer requires in writing additional or special controls, they must be taken in writing by the supplier and the related costs would be done for account of the customer.
- b. The customer has to seek out the delivery within the prescribed period. Claims because of defects are accepted only if the supplier receives immediately or within 14 days after taking delivery. If there is not this communication in writing, the delivery results accepted. If there are some hidden defects, the same terms of claims are valid ( starting from the defects survey), with the same consequences.
- c. If a claim is made up for defects, even if there is not the supplier's responsibility, the customer has to refund all the claim's related costs.

- d. The products are considered as accepted if the supply could not be controlled at the moment of the goods delivery on ground unattributable to the supplier or if the customer declines the supply without merits of claim.
- e. Before accepting the supply, the customer could not use the products. If he does, or he sells them to third parties, the delivery is considered as accepted.

#### 12. WARRANTY, DEFECTS RESPONSIBILITY

- a. The customer holds that he freely chose products between the wide range of supplier's products, by means of its qualified opinion. The supplier doesn't know and he would not have responsibility about the goods use the customer would make.
- b. Save as otherwise decided in writing, the supplier ensures its products against imperfect manufacture and material defects due within 12 months after taking delivery.
- c. Within this period, the supplier declares that he can substitute and/or repair and/or repay what invoiced only if:
  - i. The customer communicates as soonest as possible in writing the defect's being;
  - ii. The supplier has the opportunity to inspect the product at its own office;
  - iii. From the control it has been established that defects are not dues to wrong setup or use or maintenance;
  - iv. The products have not been tampered.

The product which presents defects would be put on for the supplier at the supplier's seat.

- d. In every cases, the supplier has not the liability for defective products, which could cause direct or consequential damages to the customer and to third parties, including property damages and personal injuries. They are not included every other claims. Assurance is valid only if products are rightly mounted and used; and only if they are not modified. The burden of proof is allotted to the customer or to the third party purchaser.
- e. Products supplied by the supplier, but not produced by him, would be certified as their producer specifies in writing to the supplier.
- f. The wearing due to the normal use of the products is out of assurance.
- g. If the products are used after being matched with products not produced or supplied by the supplier, and if this causes a damage of the supplier products, the liability is not of the supplier.
- h. The assurance goes down earlier, if the customer or a third party modifies the products, fixing them badly; and if the customer, after discovering a defect, he takes not measures to avoid or reduce damages.

#### 13. TRADEMARKS

- a. Every kind of trademark affixed to the supplier's products shall not be removed without the agreement in writing of the supplier. Every responsibilities and liabilities standing in this General Sales Conditions are considered as not valid if every kind of marks affixed to the products are removed or modified.

#### 14. COMPETENT COURT AND APPLICABLE LAW

- a. The competent court between the parties is that having its seat where the supplier is situated. However, the supplier is entitled to prosecute the customer in proceedings of the competent court where the customer has its registered office.
- b. All this general condition of sales are subjected to the Italian laws and have to be interpreted according to them.