

GENERAL CONDITION OF SALE

1. Definitions

According with these General Condition of sale:

- a) **Vendor:** is the company named F.M.I. S.p.A., having its place of business via Consolare 41/43, Zocco di Erbusco (25030-BS);
- b) **Buyer:** the buyer of the Product, that in no case will have the status of "consumer" as set by Article 3 of the s.c. "Consumer Code" (as for Italian Legislative Decree No. 206 of 06/09/2005);
- c) **Parts:** the Vendor and the Buyer considered jointly;
- d) **Product:** the object of sale between the Buyer and the Vendor as described in the order confirmation of the product;
- e) **Order:** written request sent by the Buyer for the purchase of products and/or services to the Vendor;
- f) **Order confirmation:** written communication sent by the Vendor to the Buyer with which he agrees to sell, in whole or in part, the goods and/or services indicated by the Buyer in the Order, and with which Vendor confirms the price.

2. General information

These General Terms and Conditions of Sale regulate all the contractual relations of purchase and sale between the parties, current or future. The sending of Purchase Order by the Buyer implies in any case and regardless of the signing of this paper form, the unconditional acceptance of these General Conditions of Sale that the Buyer declares to have examined, to know and to agree and comply with.

These General Terms and Conditions of Sale are an integral and essential part of the contract thus formed pursuant to art. 1326 of Italian Civil Code and to any further effect of the Italian Law, without necessarily having to be rewritten in the Order Confirmation.

3. Perfection of sale contract

The Buyer who is determined to purchase products, sends to the Vendor an Order containing the detailed list and the quantities of Products he wants to buy, being careful to indicate any services and accessory services requested.

The Vendor is free to accept all or part of the Order received; in case of acceptance, it sends the Order Confirmation to the Buyer; in this case the sales contract is concluded and from that moment the reciprocal obligations of the Parties arise.

Anything not expressly stated in the Order Confirmation is not included in the sales contract.

4. Delivery Mode and Time

Unless otherwise agreed in writing by the Parties, the delivery of

the goods takes place ex-works (Ex Works, Incoterms 2010) at the FMI warehouse located in via XX Settembre 4/12, Zocco Erbusco (25030 – BS), or other address indicated by FMI on the Order Confirmation.

The goods are delivered by the Vendor packaged in boxes suitable for shipping by courier; different type of packaging must be agreed in writing with the Vendor at the time of the order. Unless otherwise agreed in writing between the Parties, the delivery date indicated in the Order confirmation is purely indicative, but in no way binding on the Vendor.

The Vendor communicates the effective date of readiness of the goods in order to allow the Buyer to arrange the timely collection. The Buyer can request the Vendor to arrange the shipment of the goods up to an established destination; in this case the cost, charges and risks of the shipment are borne by the Buyer from the time and place of delivery of the goods to the person appointed for transport.

5. Payments

Unless otherwise agreed in writing between the Parties, the Buyer undertakes to pay in full the price established upon readiness of the goods.

Failure to comply, in whole or in part, with the payment term legitimizes the Vendor to apply automatically and to demand default interest (as set by Italian Legislative Decree 231/2002 and subsequent amendments).

The non-payment, even if only partial, of a delivery of goods constitutes a valid and sufficient reason for the Vendor not to execute any subsequent delivery already scheduled with payment of additional storage costs.

Moreover, in case of credit line, for payments made more than 5 days after expiring granted term, the Seller reserves, at its sole discretion, of: a) suspend the production of any existing orders; b) suspend the shipment of any ready goods; c) request full payment of the expired before processing orders or shipments; d) change the payment terms granted for future orders.

Anyhow, in the case of late payment, the next order must be paid in advance as if it were a first delivery.

6. Retention of title

The product remains exclusive property of the Vendor until full payment of the price is received.

The retention of title does not in any way affect the passage of risks that takes place at the time and place of delivery.

Until full payment of the product is received, the Buyer will be considered as a simple holder of the product and consequently it will have to keep it in perfect condition, as required by Article 1768 of the Italian Civil Code.

Until the price is fully paid, the Buyer is not entitled to sell,

transfer or deliver the Product to any third party for any reason whatsoever; otherwise, the Vendor reserves the right to withdraw from the contract with immediate effect, without prejudice to the any right to act towards the Buyer or third party assignees, in any civil and/or criminal Courts.

7. Technical specifications and product liability

The Products delivered by the Vendor comply with EU regulations and with the technical specifications declared by the Vendor.

Special requests by the Buyer must be agreed in writing with the Vendor and do not imply, under any circumstances, the responsibility of the Vendor regarding the reliability of the Product for applications unknown to the Vendor and, in any case, not expressly authorized.

The Buyer is exclusively liable for the introduction of the product in a country other than Italy; unless otherwise agreed between the Parties, any costs for verify the conformity of the Products to other countries standards are entirely borne by the Buyer.

The foregoing, in particular, applies if the Product is to be used or applied in countries outside the EU and must therefore be manufactured complying with specific rules, laws, regulations or as required in by the rules of non-EU countries.

In any case, the Vendor is not liable with respect to any claim, action, costs, expenses (including all court costs and legal expenses) or other liabilities, of any kind, with regard to the violation of rights and liability towards third parties for use, or other application, of the Product supplied, by the Buyer; nor for any act of negligence or willful omission of the Buyer connected with the use, processing, storage or sale of the Product.

8. Defects and complaints

The Buyer is required to verify the quantity, integrity and conformity of the goods received with respect to the order confirmation and to the transport document at the time of EXW delivery, reporting immediately to the Vendor any anomalies.

The Vendor is not responsible in any case for any damage to the product and/or to the packaging due to the Buyer's delay in collecting the goods prepared.

In any case, the Vendor will not be liable for any damages or defects of conformity of the goods and/or the packaging, after eight (8) days from delivery.

The Products delivered by the Vendor are guaranteed for twelve (12) months from delivery for any hidden flaws and/or defects.

The discovery of non-apparent defects shall be communicated to the Vendor within seven (7) days and the defective goods must be immediately put at Vendor disposal in order to allow any control. If requested by the Vendor, the Buyer shall send the defective goods following the instructions given by the Vendor. If

the verification of the hidden defect / flaws is negative, the cost of the verification operations will be charged to the Comparator.

The communication concerning defects and/or flaws shall contain a technically detailed description of the anomalies detected.

The Vendor shall not be liable for faults arising from material supplied by the Buyer, or by drawings or technical specifications provided by the Buyer and specifically requested by the Buyer. The Vendor shall not be responsible for faults arising from poor maintenance or for interventions on the Product that have been made without the written consent of the Vendor.

Before the use, the Buyer shall assure that the characteristics of the product supplied are suitable for the application to which it intends to use it.

The eventual claim(s) referred to the Product(s) delivered, does not legitimize the Buyer to suspend or interrupt the payment of the Order executed.

9. Privacy

According to Italian Legislative Decree 196/2003, Vendor informs that: a) Buyer's data are processed and/or communicated to third parties (eg banks, external consultants, etc.) in compliance with the aforementioned law, for the execution of contracts; b) the Seller has appointed, as data Manager, the Legal Representative at the operational headquarters of Zocco di Erbusco (25030 - BS) Italy; c) the Buyer has the right to exercise the rights set in Article 7 of Legislative Decree 196/2003.

10. Effectiveness

These General Conditions of Sale, considered individually or as a whole, are the only ones that shall govern the contract of sale of the Product between the Parties.

11. Applicable Law

These General Conditions of Sale are regulated by and shall be construed under Italian Law, unless otherwise agreed in writing by the Parties.

It is expressly excluded the application of the Rules set by the United Nations Convention on Contracts for the International Sale (Vienna – 1980 – CISG).

12. Jurisdiction

All disputes arising in connection with the contract of sale, including those concerning validity, interpretation, execution breach and termination, will be referred to the exclusive jurisdiction of the Court of Brescia (Tribunale di Brescia), with the express exclusion of any court or jurisdiction under any other competing reason.