

Brescia, 7th January 2019

S.M.C. Srl – STANDARD TERMS AND CONDITIONS OF SALE

Dear Customer,

Please find, here in after, the standard terms and conditions of sale, governing the Contract of sale, in the eventual absence of different written precise indications. However, any specific provisions agreed between the parties (SMC Srl and Buyer) have to be reported in the offer or added in the purchase order and consequently stated in writing in the order confirmation. Any conditions of the Buyer contrary or deviating therefrom are not recognized, unless their validity has been explicitly confirmed by S.M.C. Srl.

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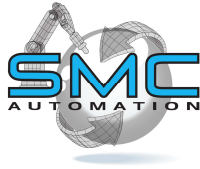
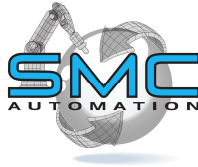


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1 INTRODUCTION

Unless otherwise agreed in writing, our sales are governed by the standard terms and conditions that follow; therefore, each purchase order received implies the acceptance, without reservations by the Buyer, to the following general conditions of sale.

2 OFFER

The offer is intended without purchase obligation, unless expressly differently stated and is subject to these general conditions of sale. If indicated a term of validity, it is binding for S.M.C. Srl if the purchase order, will be placed and received within that term; otherwise, S.M.C. Srl reserves the right to accept the order.

3 PURCHASE ORDER

The issuing of the purchase order commits the Buyer to accept these general conditions of sale. The purchase order will be considered valid, if complete and defined in its entirety.

4 ORDER CONFIRMATION

The supply includes only the services and goods, as per terms and quantities specified in the order confirmation or in its any subsequent modification or integration.

In any case, the text of the order confirmation will prevail over any purchase order non-compliant text.

The order confirmation, sent to the Buyer, will be considered accepted if it is not contested within 4 working days from the date of issue.

5 DELIVERY PERIOD

The delivery date, resulting from the order confirmation, have to be treated as estimated and it is always given without warranty, except in the case of essentiality of the term in favour of the Buyer. Any delays, under any circumstance, do not give rise to compensation for damages or termination, even partial, of the contract of sale unless these consequences have been expressly provided and accepted in the order confirmation. In any case, the written notice of goods ready for shipment / collection solves the delivery.

Missing or delayed delivery of the goods or performance of the services due to causes beyond S.M.C. Srl control and not foreseeable (*force majeure*) such as: lack of raw materials, power shortage, production machines failures, shipping problems, strikes of any kind, wars, fires, floods or other calamities, etc. that occur at our premises or at those of suppliers, Italian or foreign ones, will not give rise to responsibility attributable to S.M.C. Srl., which will have the right, at its option, to terminate the Contract, with a prior written notice to the Buyer if the impediment persists for at least ninety (90) days or to agree with the Buyer a mutually satisfactory course of action.

Notwithstanding anything to the contrary stated in the order/contract, S.M.C. Srl shall be paid for the work done and/or committed up to the notified termination date.

NB: The established delivery will automatically extends for a period at least equal to the possible delay of the Buyer in fulfilling:

- a) Payment of a possible deposit or down payment (if any) or the full amount;
- b) Communication of technical data or other information, sending of materials in account of manufacture / vision, specifically requested in the offer and in the order confirmation, as indispensable elements for the correct and complete realization of the supply;
- c) Update of the technical specifications following the start of production, when changes to the supply volume are requested.

6 ACCEPTANCE TEST

Testing will take place at S.M.C. Srl workshop, unless the Parties choose another location. The day for testing will be communicated to the Buyer giving sufficient notice in order to allow its personnel to attend the testing at his own expense.

The possible testing of the goods, even if related to a simple visual and dimensional control, must be expressly indicated by the Buyer in the purchase order and therefore, accepted through the order confirmation. The goods rejected in the course of testing, involves the obligation for S.M.C. Srl to replace it in the shortest amount of time and do not give rise to compensation in any way.

7 PACKING

S.M.C. Srl will arrange for the packaging of the goods in accordance with the current standards or specifications received by the Buyer if expressly and in detail indicated in the purchase order and therefore confirmed through the order confirmation.

8 SHIPMENT AND PASSING OF RISK

If no otherwise mutually agreed in writing, the delivery is intended EXW (Ex Works Brebbia workshop). The risk shall pass to the Buyer as soon as the goods have been handed over to the person executing the shipment. In case that the delivery or part of it will be taken care by the S.M.C. Srl, the transport will be carried out at the expense and risk of the Buyer. Risk of loss of or damage to the goods shall pass to Buyer upon delivery as previously mentioned and the Buyer shall be responsible for insurance of the goods after risk has so passed. Any possible storage cost arising from a collection delay, will be charged to the Buyer and unless expressly differently stated, calculated as follows:

On the tenth working day after the date of the written notice of *goods ready for shipment / collection*, a charge equal to 1 (one)% of the total supply (net of taxes) and so every additional 5 (five) working days, up to a maximum of 5 (five)% of the total supply (net of taxes).

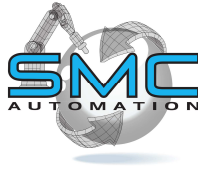
S.M.C. Srl reserves, in any case, the right to partially or totally resolve the Contract and / or to send all the goods or a part, which costs will be borne solely by the Buyer, if 15 (fifteen) working days have passed from the date of notice of *goods ready for shipment / collection*, without the Buyer having collected the goods.

S.M.C. S.r.l.

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9 TITLE AND RISK

Unless otherwise agreed in writing title and risk of the goods pass to the Buyer from the time of delivery (with reserve for S.M.C. Srl, see article n. 10 of this document).

10 RETENTION OF TITLE

S.M.C. Srl reserves the right of title of the goods, until receipt of full payment. The Buyer is obliged to store carefully the goods until the transfer of the title, remaining solely responsible for any risks of loss, theft and / or anything else that may happen to the goods from the time of delivery. The retention of title does not affect the passage of risk that is regulated by the article n. 9 of this document.

11 WARRANTY

S.M.C. Srl guarantees that the materials, the equipments and the workmanship, object of the supply, are qualitatively suitable for use and free from construction defects for the duration of 12 (twelve) months from the date of delivery or installation or testing with positive result, according to what agreed and reported in the order confirmation. Any additional guarantees requested by the Buyer, will not be considered if not stated in the order confirmation.

The warranty excludes replacements due to defects, natural wear, improper use, lack of adequate maintenance or if nonoriginal spare parts have been used or modifications to the original design have occurred, without the written approval of S.M.C. Srl.

Note: For standard components or other subcontracted parts, the warranty of the related original manufacturer will prevail.

In case of a warranty extension is requested, after specific analysis and written acceptance of the warranty extension clause by S.M.C. Srl, please consider the following:

- For a year of extension (+ 12 months, for a total of 24 months) the price of the whole supply will increase by 5%.
- For two years of extension (+ 24 months, for a total of 36 months) the price of the whole supply will increase by 12%.

The responsibility of S.M.C. Srl related to the warranty, however, remains limited to a sum not exceeding the contractual amount of the supply. The possibility of compensation claims for any interruptions in activities and / or production as well as for losses of an economic nature by the Buyer or his subordinates, in relation to the provision of the warranty, is excluded.

12 PAYMENT

The Buyer must pay the supply according to the conditions indicated on the invoice, previously agreed and accepted through the order confirmation. In the event of insolvency of the Buyer, it is faculty of S.M.C. Srl the modification of the payment conditions, even if related to previous orders and to grant or not further payment extensions, even if against bank guarantees.

13 MISSED OR DELAYED PAYMENT

Any late payment, even partial, of the invoices of S.M.C. Srl, will constitute the right to the calculation of default interest, which will be calculated on the overall value of the supply, inclusive of taxes and any other related ancillary expenses, to the extent provided by Legislative Decree No. 231 of 9.10.2002, implementing Directive 2000/35 / EC, from the changes introduced by the Legislative Decree n. 192 of 9.11.2012 and any subsequent amendments. The missed or delayed payment of the invoices, authorizes S.M.C. Srl, without prejudice to any other action, to request the advance payment of further supplies or to suspend or terminate the Contract, to suspend or cancel other Contracts in progress, with no right for the Buyer to make claims for compensation or any other reservation in this regard; the Buyer remains obliged to reimburse all damages deriving from the non-execution of the contracts.

14 CLAIMS

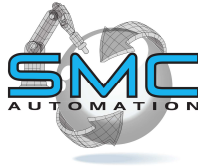
Any claim for goods that do not correspond to what is indicated in the order confirmation, must be sent, in writing, within 15 (fifteen) calendar days from receipt of goods or, if agreed, from the date of test with positive result performed at the Buyer workshop. If the complaint is timely and results, after the assessment by our after-sales service, founded, obliges S.M.C. Srl to replace the non-conforming goods recognized or to restore the functionality of the plant, in the shortest time possible. It remains excluded for the Buyer, any right to request the termination of the Contract, any compensation for damages or reimbursement of expenses incurred in any way. In any case, claims do not entitle the Buyer to suspend the invoice payment. All notices and claims in connection with the Contract must be in writing.

15 TAXES CHARGED BY THE BUYER

For sales in the national territory, the invoice prices include VAT. For international sales, in order to assess the existence of triangulations, exclusions or non-taxable VAT, preferably with the request for an offer but compulsorily in case of order, the Buyer must communicate to S.M.C. Srl, where the goods will be shipped, European or extra UE country and the relative Incoterms.

16 CONTRACT RESOLUTION - SUSPENSION OF SUPPLY

S.M.C. Srl reserves the right to withdraw from the Contract if, even after the order confirmation, the precariousness of the Buyer's economic conditions is ascertained and/or in the presence of non-payment, even partial, of previous supplies.



The exercise of this right does not give the Buyer any right to compensation for damages of any kind. S.M.C. Srl reserves the right to terminate the Contract, without any need for judicial ruling, if such events occur (i.e. bankruptcy of the Buyer, etc.) that do not guarantee the Buyer's ability to fulfil future obligations.

S.M.C. Srl has the right to act judicially for the compensation of any damages suffered and of all the expenses already incurred.

17 JURISDICTION, LANGUAGE AND APPLICABLE LAW

In the event of a dispute concerning the supply, for which a solution has not been found between the Parties, the Court of Varese (Italy) has exclusive jurisdiction. The Sales Contract will be governed and interpreted in accordance with the Italian Laws if, both parties (S.M.C. Srl and Buyer), have their registered office in Italy. In the case of international sales, the Contract will be governed by and interpreted by the Vienna Convention of 1980 and for anything not expressly governed by this Convention, will be governed by Italian law. The language used in legal proceedings will be English for international sales and Italian for sales in Italy. In the event of a contradiction between the meaning or the interpretation of one of the clauses of these *Standard terms and conditions of sale*, the version of the text in Italian language will prevail over the English version.

18 DATA PROTECTION AND PRIVACY

In compliance with the provisions of EU Regulation 2016/679 about the protection of personal data, S.M.C. Srl informs the Buyer that the personal data provided by the same, related to the Sale Contract, could be recorded on paper and / or electronic media, protected and treated on a confidential basis for: accounting and tax obligations, administration activities, management and execution of Sale Contract, management of payments and any disputes, fulfilment of legal obligations connected to the activities of S.M.C. Srl. Such data will not be communicated or disclosed to third parties, with the exception of the qualified offices who perform, on behalf of S.M.C. Srl, accounting, legal, banking and insurance activities. The data controller is S.M.C. Srl.

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