

ART. 1 – OBJECT

- 1.1 The present General Conditions of Sale (hereinafter referred to as «GCS») apply to all contracts negotiated and stipulated between Seller and Buyer (hereinafter referred to as «Contracts») for the sale of the Seller's products (hereinafter referred to as «Products»), whose technical specifications, samples and control plan are to be considered approved by Buyer upon the issuing the related orders.
- 1.2 Contracts shall be considered valid exclusively subject to Seller's written confirmation, by fax or mail, of Buyer's orders or other proposals and shall enter into force on the date of the issuing of such confirmation; Seller shall never be bound by verbal declarations or silence.
- 1.3 The cancellation of Buyer's orders or proposals may be valid exclusively upon Seller's written consent hereof, that may be given by the latter, at its own discretion, at the conditions, costs and penalties agreed upon case by case.
- 1.4 Parties agree that general business terms or Buyer's general conditions or Buyer's terms and conditions differing or conflicting with the present GCS shall have no validity, unless Seller expressly agrees with their validity in writing.
- 1.5 The present GCS shall be valid for an undetermined period, until Seller issues a subsequent version superseding them.

ART. 2 - DELIVERY

- 2.1 Seller shall deliver the Products to Buyer EXW Incoterms ICC 2000 approximately within 12 (twelve) weeks from the entry into force of the Contracts, as set forth by art. 1.2. Different delivery terms may be agreed upon in the single Contracts. Delivery dates, weather set forth by the present GCS or the single Contracts, shall be considered estimates only, unless qualified as binding by a specific and expressed provision agreed upon in the Contracts. Partial and or anticipated deliveries shall be admitted.
- 2.2 Should a binding delivery term have been specifically and expressly agreed upon in a Contract and should, thereafter, Products not be delivered within such binding term for causes attributable to Seller, not justifiable as *force majeure* or lawful reaction to the Buyer's breach or risk of breach of its obligations, Seller shall solely pay to Buyer, as liquidated damages, a sum equal to 0,2% (zero point two per cent) of the net price of the delayed Products for each entire week of delay, except for a 10 (ten) days *délais de grace*, until the maximum sum of 2% (two per cent) of the net price of the delayed Products, with the express exclusion of any other Buyer's rights, for compensation or others, in connection with the delayed delivery.

ART. 3 – PRICE AND PAYMENT

- 3.1 Buyer shall pay the price of the Products of which at the Seller's offer or, if different, the price of which at the Contracts (entered into as set forth by art. 1.2), following the terms and conditions of which at the present GCS, unless specifically and expressly agreed upon in the single Contracts.
- 3.2 All Contracts are subject to credit approval: Seller may, at any time prior to delivery of the Products, alter or suspend credit, refuse delivery or terminate unfilled Contracts when in Seller's opinion, Buyer's financial condition or the status of Buyer's account justifies it or when delivery is delayed through Buyer's fault. Any unpaid balance shall constitute a lien on any of Buyer's Tooling in Seller's possession, as set forth by art. 6.8 hereunder.

ART. 4 – WARRANTY

- 4.1 Only within the limitations set forth by the present GCS, Seller warranties that Products are free from defects in workmanship and material and shall be subject to Seller's normal manufacturing tolerances and quality control procedures. Seller's Products are not guaranteed for any specific measure of service nor fitness for a particular use of merchantability, only the express warranty herein set forth shall be deemed to have been made by Seller or relied upon by Buyer and Seller hereby disclaims all other warranties, express or implied.
- 4.2 The Buyer loses the right to rely on the warranty provisions of which at the present article if, in case of defects of the Products, he does not give a written notice thereof to the Seller, specifying in detail the nature of the defects, to be received by the latter within 15 (fifteen) days from the day when Buyer became aware - or ought to have become aware - of the same defects, and anyhow not later than one year from the delivery of the Products.
- 4.3 Seller's liability according with the express warranty set forth above is limited to refunding the purchase price of the defective Products or, at Seller's option and upon their return, to replacement of the defective Products; under no circumstances shall Seller be responsible for loss of profit, damage to goodwill or any other form of consequential damage, except if guilty of gross negligence or wilful misconduct.
- 4.4 Products for which a warranty claim is made shall be kept, by Buyer, at its own expenses, at Seller's disposal: if so requested by Seller, they are to be returned to Seller's facilities. Seller may also, at its own option, instruct Buyer in writing to destroy the replaced or reimbursed defective Products; anyhow, from the day when replacement or reimbursement is communicated in writing to Buyer, the defective Products shall become the Seller's property.
- 4.5 Any improper or incorrect use, operation beyond tolerance or capacity, substitution of parts not approved by Seller or any alteration or repair in such manner as in Seller's judgment affects the Products materially and adversely, for which Buyer shall be held responsible, shall void the warranty hereby granted by Seller. Seller shall equally not be responsible for the normal wearing of the Products.
- 4.6 All previous communications, whether in the form of technical sheets or engineering inputs or otherwise, are effective only if they are expressly indicated in the offer, or attached to the the initial sampling for production series approval. Technical sheets or Engineering recommendations constitute merely the Seller's opinion and best judgment and do not constitute a warranty.
- 4.7 On Products made, in whole or in part, to the Buyer's design and/or specifications, Buyer shall indemnify and hold Seller harmless against any cost, expense or liability in any claim or litigation or other proceeding based on claims of unfair competition, copyright infringements, trade name violation, trade secret violation, patent infringement or other like claims, arising out of the manufacture, sale or use of such Products.
- 4.8 Buyer shall inform Seller in writing on any and all laws and other regulations in force in its country that apply to the Products and that may not be contractually derogated, otherwise Buyer shall hold Seller harmless from any and all claims that should arise from such rules.
- 4.9 To benefit from the rights of which at present art. 4, Buyer shall be regularly fulfilling its payment obligations of which at art. 3.
- 4.10 Except for what set forth by the present art. 4, after the risk of the Products has become the Buyer's, even for the defects whose cause is prior to such transfer of risk, Seller shall have no other responsibility, except if guilty of gross negligence or wilful misconduct. It is hereby expressly agreed that Buyer shall not be entitled, for accidents occurred to people, for damages occurred to goods or for loss of profits, to any claim other than those provided for by the present GCS, except for what set forth by applicable dispositions law, that may not be derogated.

ART. 5 – FORCE MAJEURE

- 5.1 Seller shall be entitled to suspend the performance of its obligations under the Contracts, should such performance be impeded or made excessively onerous by circumstances of *force majeure*, such are – but not limited to - natural disasters, fires, wars (even not declared), acts of God, general military mobilisations, insurrections, kidnappings, energy restrictions, transportation disorders, strikes (including company strikes), interruptions of the production and defects or delays in the deliveries of the suppliers.
- 5.2 Should the circumstances of *force majeure* last for longer than 45 (forty five) days, the Seller shall be entitled to terminate the Contracts by means of a written communication to the Buyer, who shall not be entitled to any claim.

ART. 6 - TOOLING

- 6.1 Production tooling, such are moulds, dies and other support details are collectively referred to, in the present GCS and the Contracts, as «Tooling», term that does not encompass prototype tooling.
- 6.2 Seller shall separately quote, and Buyer shall pay, Tooling charges as set forth by art. 6.8 hereunder or in the Contracts. As a consequence of Buyer's breach in the Tooling payment, Seller shall be entitled to withhold the conclusion and/or the performance of the Contracts. Tooling shall become Buyer's property upon Seller's receipt of full and final payment and upon Seller's right of possession and usage of the Tooling, for the duration of 30 (thirty) years or the longest possible period time.
- 6.3 At the end of the 30 (thirty) years term of which at 6.2 or, at the Seller's option, at any time after a 5 (five) years term since the last Contract, Seller shall destroy the Tooling.
- 6.4 Unless specifically agreed to the contrary in writing, Seller shall provide ordinary and routine maintenance for Tooling during the useful life of the Tooling, Seller reserves the right to determine the need for replacement or need for major repair of Tooling. Unless specifically agreed to the contrary in writing, such replacement or major repair shall be at the Buyer's expense to be paid, by bank transfer on the Seller's bank account free of costs for Seller, within 30 (thirty) days from the date of issuing of the relevant invoice.
- 6.5 The Buyer shall have no right or interest with respect to any prototype tooling, regardless of the level of separately quoted or paid charges or any supplemental agreements with respect to Products design or production.
- 6.6 Seller shall remain the sole and exclusive owner of all intellectual property embodied in or used to design or manufacture the Tooling supplied or altered by Seller and to design or manufacture the Products.
- 6.7 Seller shall possess the lien in Buyer's Tooling to secure payment of all amounts owned by Buyer to Seller.
- 6.8 Unless differently agreed in writing, Buyer shall pay for the Tooling under the following schedule: one-third of the Tooling amount shall be paid upon Buyer's submission of its order, another one-third of said Tooling amount shall be due upon their receipt, by Seller, from the toolmaker and satisfactory inspection, by Seller, of the Tooling, and the balance of the said Tooling amount shall be due upon production and submission of acceptable, conforming Product samples manufactured using the Tooling.

ART. 7 – MISCELLANEOUS

- 7.1 Buyer shall not assign, transfer or otherwise dispose of the present GCS or the Contracts, in whole or in part, to any individual, company or corporation, without the prior written consent of the Seller.
- 7.2 The present GCS constitute the entire agreement between the parties herein and supersedes all previous negotiations, agreements, commitments in respect thereto and shall not be terminated or modified in any way except in writing and undersigned by the duly authorised representatives of each of the parties herein.

ART. 8 – DISPUTE RESOLUTION APPLYING WHEN SELLER IS VERNAY ITALIA S.R.L.

- 8.1 The present GCS and the Contracts shall be regulated by the Italian law and the U.N. Convention on the International Sale of Goods (Wien1980).
- 8.2 (APPLYING TO EU BUYERS ONLY) All disputes arising out or in connection with the present GCS or the Contracts shall be settled exclusively by the Court of Asti.
- 8.3 (APPLYING TO EXTRA - EU BUYERS ONLY) All disputes arising out or in connection with the present GCS or the Contracts shall be exclusively and finally settled by arbitration, ordinary or fast arbitration depending on the value of the claim, under the Rules of the Piedmont Arbitration Chamber. Seat of the arbitration shall be Asti and language shall be Italian.

ART. 9 – DISPUTE RESOLUTION APPLYING WHEN SELLER IS VERNAY EUROPA B.V.

- 9.1 The present GCS and the Contracts shall be regulated by the Dutch law and the U.N. Convention on the International Sale of Goods (Wien 1980).
- 9.2 (APPLYING TO EU BUYERS ONLY) All disputes arising out or in connection with the present GCS or the Contracts shall be settled exclusively by the Court of Almelo (NL).
- 9.3 (APPLYING TO EXTRA - EU BUYERS ONLY) All disputes arising from or in relation to this contract, whose amount does not exceed 100.000 Euro, shall be submitted to arbitration under the rules of Euroarbitration of the European Network for Disputes Resolution – ENDR. The dispute will be finally settled by a sole arbitrator deciding as amiable compositeur. In case where the amount of the dispute exceeds 100.000 Euro, the parties agree to have recourse to arbitration by the Centre of Amsterdam - Euro Arbitration & Euro Mediation Netherlands, applying the rules of arbitration of such Centre. The parties undertake to comply with the award in any case; language shall be Dutch.