

MANUFACTURER'S GENERAL CONDITIONS OF SALE

1. Applicability of Conditions

- 1.1. These general conditions of sale (hereinafter referred to as the "Conditions") form an integral part of all distribution agreements and/or export sales contracts regarding products manufactured by VARVEL SpA, Via 2 Agosto 1980 No 9 – 40053 Valsamoggia loc. Crespellano, Bologna, Italy, Tel. +39.051.6721.811 - Fax +39.051.6721.825 (hereinafter referred to as the "Products" and the "Manufacturer").

Any general or special conditions of purchase of the buyer (including those referred to in communications sent by the buyer to the Manufacturer) shall be inapplicable to sales of the Products by the Manufacturer and shall not bind the Manufacturer unless expressly approved by the latter in writing.

- 1.2. All offers, acceptance of orders and deliveries by the Manufacturer shall be deemed to have been made pursuant to these Conditions, except as otherwise expressly agreed by the Manufacturer in writing; in any event, acceptance of the Products delivered by the Manufacturer shall imply acceptance by the buyer of these Conditions.

2. Execution and entry into effect of the sale contract

- 2.1 Each contract of sale shall be deemed to have been entered into at the moment in which the ordering party becomes aware of the Manufacturer's acceptance, or in the absence of said occurrence, at the time of delivery of the Products to the ordering party. The Manufacturer reserves the right to accept or reject the buyer's orders, in the Manufacturer's sole discretion. In any case, the Manufacturer may not consider in any way (i) orders which are not duly signed by the buyer and/or which do not precisely identify the ordered Products and (ii) orders for Products to be realized in accordance with specifications provided by the buyer and in respect of which the Manufacturer has not already received from the buyer all of the technical specifications and data necessary in order to identify the characteristics of the ordered Products and to have them manufactured. In the event that the order confirmation of the Manufacturer contains additions, limitations or other modifications with respect to the purchase order issued by the buyer, such order confirmation shall be deemed accepted by the buyer if not rejected in writing within 7 (seven) days from receipt thereof by the buyer.
- 2.2 Partial delivery of Products ordered shall not imply acceptance by the Manufacturer of the entire order, but only acceptance of the part of the order relating to the Products actually delivered.
- 2.3 In any and all cases, the performance of the contract of sale shall be deemed to have taken place at the Manufacturer's headquarters.
- 2.4 The offers made by the Manufacturer to the buyer, if any, shall not be binding on the Manufacturer and the Manufacturer reserves the right to cancel or revise its offers at any time prior to its written acceptance of the buyer's order. If, in making an offer, the Manufacturer sets a deadline by which the offer must be accepted by the buyer (by means of sending the relevant purchase order), the offer shall remain in force solely for the period of time indicated by the Manufacturer and, when that period has elapsed, the offer shall expire without any need for revocation thereof.
- 2.5 The Manufacturer reserves the right to make changes to the technical drawings/specifications of its Products in order to improve their performance; the Manufacturer shall inform the buyer of said changes in advance only if they are significant.
- 2.6 Any change to or cancellation of the order by the buyer shall be ineffective unless previously authorized or subsequently accepted in writing by the Manufacturer. In the case of orders for Products to be realized on the basis of specifications provided by the buyer, if the supply ceases, the buyer shall purchase all of the materials (raw materials, work in progress and finished products) expressly procured by the Manufacturer in order to fill said orders. In any case, the Manufacturer shall be entitled to recover any damages suffered by the Manufacturer in excess thereof.

3. Delivery of Products

- 3.1. All delivery deadlines given by Varvel shall be deemed to be approximate only and non-binding. The buyer, by acceptance of a late delivery, waives any and all rights relating to the delay. Any delay by the buyer in providing any information (including, without limitation, drawings, data, and specifications) or in carrying out any tasks which are necessary in order for the contract of sale of the Products to be performed, or equally any delay by the buyer in fulfilling any of its obligations, shall entitle the Manufacturer to postpone the delivery of the Products for a period corresponding to the delay on the part of the buyer, without prejudice to any other right of the Manufacturer. The Manufacturer expressly reserves the right to make partial deliveries of any order. In no event shall the buyer be entitled to refuse delivery or to delay payment for Products delivered to the buyer based on an order even only partially filled. Where partial deliveries are effected, the Manufacturer shall be entitled to issue partial invoices based on the deliveries made.
- 3.2. Unless otherwise agreed upon by the parties in writing, the Products shall be delivered "FCA Crespellano" [said term, as well as any alternative delivery term that may be agreed upon in writing, shall have the meaning given to it in the most recent edition of the ICC Incoterms (presently, Incoterms@2020)]. In any case, from the moment in which the Products are delivered by the Manufacturer to the carrier or the forwarding agent, they shall be transported at the risk and peril of the buyer. The Manufacturer shall not enter into any transportation agreement with respect to the Products and shall not insure the Products to be transported, except upon the express order of and at the risk and expense of the buyer and only if the Manufacturer accepts said order in writing; in that case, the cost of transportation borne by the Manufacturer will be charged to the buyer by the Manufacturer in addition to the agreed prices for the Products. The buyer shall, at its cost, adequately insure the Products for loss or damage during transportation, with a coverage cap equal to the purchase price of the Products being transported.
- 3.3. The buyer agrees to collect the Products or to cause the Products to be collected as soon as it receives notice that the Products are ready and at its disposal and, in any event, within 10 (ten) days of the date of said notice. Following the expiration of said 10 (ten) day period: a) the Manufacturer shall under no circumstances be responsible for the custody and insurance of the Products and b) the Products may be deposited in other storage depots at the buyer's sole risk, peril and expense. In any case, and in particular, without limitation, where the buyer fails to collect Products realized by the Manufacturer on the basis of specifications provided by the buyer, the Manufacturer shall be entitled to terminate the contract for breach by the buyer pursuant to article 6 below and to require compensation from the buyer for any damages suffered by the Manufacturer.

4. Claims; Warranty

- 4.1. The Manufacturer warrants that the Products shall be of free from any material defects in materials and workmanship for a period of 12 (twelve) months from the date of delivery thereof by the Manufacturer (the "Warranty Period"). In the case of supply of Products to be realized on the basis of technical specifications provided by the buyer, the Manufacturer warrants only the conformity of the Products, during the Warranty Period, to the technical specifications, the technical drawings, the technical data or any samples supplied and/or approved by the Manufacturer. This warranty constitutes the Manufacturer's only warranty with respect to the Products and is in lieu of any other warranty, whether written, oral or implied; by accepting these Conditions, the buyer expressly waives any such additional warranty (including any right of redress deriving from any installation of the Products in consumer goods). In no event shall the Manufacturer be liable for any defects or quality shortcomings in the Products due to other causes, including, without limitation, installation, misuse, transportation, or failure to exercise ordinary care in connection with the Products.
- 4.2. Any claims relating to defects in the Products must be sent to the Manufacturer by registered post, return receipt requested, within 8 (eight) days following the date of delivery of said Products or, in the case of latent defects which cannot be identified in the exercise of ordinary diligence, within 8 (eight) days following the date of their discovery, and shall be deemed waived if not made by the relevant deadline.

- 4.3. In accordance with the terms of Article 4.1 above, during the Warranty Period, the Manufacturer agrees to repair or replace, at the Manufacturer's sole discretion, Products and/or Product parts that the Manufacturer acknowledges to be defective, free of charge. The buyer shall deliver to the Manufacturer DAP Crespellano (ICC Incoterms®2020), at the buyer's sole expense, the parts or Products alleged to be defective and the Manufacturer shall examine said parts or Products to determine whether they are defective and whether the Manufacturer is responsible for the defect; in such case, and, at its sole discretion, the Manufacturer shall repair or replace said parts or Products and shall deliver said repaired or replacement parts or Products to the buyer "FCA Crespellano" (ICC Incoterms®2020), it being understood that any other cost, including the cost of any reinstallation or assembly of the repaired or replacement Products or parts, shall be borne exclusively by the buyer. In no event shall the Manufacturer be liable to the buyer for any other compensation or indemnity.
- 4.4. In any event, the warranty shall be rendered void and inapplicable if: a) the type and quality of lubricant prescribed by the Manufacturer is not used; b) the Product is caused to function in excess of the limits recommended by the Manufacturer; c) the Product is used incorrectly, or d) the Product is tampered with.
- 4.5. In no event shall the checking, repair and/or replacement of the Products or parts thereof by the Manufacturer, either during or subsequent to the Warranty Period, be deemed to give rise to an additional or extended warranty period.

5. Prices – Payment - Late payments

- 5.1. The Product prices shall be those indicated in the Manufacturer's price list effective at the time at which the Manufacturer accepts the buyer's order for the Products. If any delay in delivery of the Products occurs for reasons attributable to the buyer and if the Manufacturer's list prices have increased prior to the time of delivery of the Products, the buyer shall pay the increased prices.
- 5.2. Except as otherwise agreed upon by the parties in writing, payments for the Products must be made (a) by means of wire transfer (to the bank and account number indicated in writing by the Manufacturer from time to time) prior to the anticipated date of delivery of the Products or (b) by means of an irrevocable, divisible letter of credit, confirmed by a primary Italian bank satisfactory to the Manufacturer, in compliance with publication 600 of the International Chamber of Commerce, as updated from time to time, valid for at least 30 (thirty) days from the anticipated date of delivery of the Products in question and payable at sight at the counters of said Italian bank upon presentation of (i) the Manufacturer's packing list, (ii) the Manufacturer's invoice and (iii) the forwarding agent's receipt or, alternatively, depending on the commercial term agreed on by the parties, bill of lading or way-bill. Said letter of credit shall be issued at least 30 (thirty) days prior to the anticipated date of delivery of the Products and all expenses in connection with the letter of credit shall be borne by the buyer.
- 5.3. In the event of late payment, in addition to compensation for any damage suffered by the Manufacturer, the Manufacturer shall be entitled to receive interest for late payments at the rate contemplated by Italian Legislative Decree 231/2002 as amended, without being obliged to give the buyer any notice of default. It is understood that, in the event of late payment, the buyer shall lose the benefit of Article 1186 of the Italian Civil Code and the Manufacturer shall be entitled to require immediate payment of the total purchase price of all Products ordered by the buyer, even if undelivered, or to require the buyer to provide guarantees sufficient to cover all such sums; the Manufacturer shall further be entitled, at any time and without having to give notice and/or carry out any other formality, to take immediate action to recover the sums owed to it, even if the amount of the Manufacturer's credit is not yet determined or if the payment deadline has not yet expired.
- 5.4. If the delay in payment exceeds 20 (twenty) days, the Manufacturer shall be entitled to terminate the contract(s) of sale in respect of the Products already delivered and/or not yet delivered, upon written notice of its election to do so, without prejudice to the Manufacturer's right to compensation for any damages suffered. It is understood that the buyer may not make any claim against the Manufacturer as a result of the Manufacturer's termination of the contract.
- 5.5. If the buyer fails to meet even one of the payment deadlines set in respect of an earlier order which the Manufacturer has already filled, then even if the contract of sale has already been entered into

within the meaning of Article 2 above, the Manufacturer shall be entitled, without any formalities including having to notify the Buyer of such default:

- not to fill any further order and to refuse to deliver the Products;
- or, alternatively, to suspend delivery of and/or refuse to deliver the Products ordered until such time as all sums owed by the buyer to the Manufacturer have been paid in full.

5.6 Any claim by the buyer that the Products are defective shall not entitle the buyer to suspend or delay payment; the buyer may not commence or proceed with any action against the Manufacturer if the buyer has not first fully paid the price in accordance with the contract terms.

6. Manufacturer's right to terminate the contract

6.1. Without prejudice to any other right it may have, the Manufacturer shall be entitled to terminate at any time and with immediate effect, at the Manufacturer's sole discretion, each contract of sale entered into on the basis of these Conditions, (i) in the event that the buyer is prevented from performing the contract by Force Majeure, (ii) upon the occurrence of events negatively affecting the buyer's assets or economic situation, including any worsening of the buyer's solvency and/or liquidity (in the latter case, the Manufacturer reserves the right, at its sole discretion, to modify the payment terms originally established in respect of the order in question) and/or (iii) in the event of breach by the buyer of any of the buyer's obligations under these Conditions, which breach is not cured, to the Manufacturer's satisfaction, within 20 (twenty) days following the Manufacturer's written demand to cure.

7. Retention of Title

7.1. Except as otherwise provided by applicable rule of law, which rule of law is absolute and may not be contracted out of or varied by contract, title to the Products shall be transferred to the buyer only upon payment in full of the sale price of said Products and of all interest for late payments and other sums owed by the buyer to the Manufacturer. Until said time, the buyer shall keep the Products solely as a fiduciary for the Manufacturer and shall ensure that they are adequately stored, protected and insured.

7.2 In the event of default by the buyer, the Manufacturer shall be entitled to repossess all Products subject to retention of title, wherever they may be, without carrying out any formality, including but not limited to giving the buyer notice of default; in addition, the Manufacturer reserves the right to seek any other legal remedy available to it in respect of the damages suffered.

7.3 The buyer shall be entitled to resell the Products to third parties only in the ordinary course of the buyer's business and, in that case, the buyer expressly agrees to inform its customers of the contents of this clause; the retention of title by the Manufacturer remains valid in relation to third parties where the law so permits. In addition, except as otherwise provided by mandatory rules of law which cannot be varied by contract, the proceeds of the sale of the Products shall be transferred to the Manufacturer until such time as the price owed by the buyer to the Manufacturer for the supply of the Products has been paid in full.

8. Product checks; Technical rules; Manufacturer's responsibility

8.1. All Products are checked by the Manufacturer before their delivery. The buyer shall be entitled, at the buyer's own risk and expense, to have the Products inspected by the buyer's representatives, at the Manufacturer's premises, during the Manufacturer's normal working hours and after having obtained the Manufacturer's prior written consent, which consent shall not be unreasonably withheld provided that (i) said inspection is requested by the buyer within 8 (eight) days following the date of the Manufacturer's notice that the Products are ready and at the buyer's disposal and (ii) said inspection does not interrupt the work of the Manufacturer's personnel.

8.2. With regard to the characteristics and specifications of the Products, the Manufacturer shall comply with the relevant laws and technical rules in force in Italy, and the buyer shall assume the risk of any difference between the relevant provisions in force in Italy and those of the countries in which the Products are resold; and the buyer shall duly indemnify and hold the Manufacturer harmless from any

possible claims or actions brought by any third party in relation thereto.

- 8.3. The Manufacturer's warranties and responsibilities, deriving from and relating to the contracts entered into on the basis of these Conditions, are limited to those expressly provided for herein. Therefore, the Manufacturer shall have no additional responsibility in connection with the Products and in no event shall be deemed liable for direct, indirect or consequential damages, loss of profits, direct or indirect losses of any sort (including injury to any persons or damage to property) deriving from the Products supplied, except in cases of gross negligence or intentional wrongdoing by the Manufacturer. With regard to any possible legal action brought by third parties in connection with the Products supplied, upon the Manufacturer's request, the buyer shall take all necessary steps in relation to such legal action.

9. Force majeure and undue hardship

- 9.1. The Manufacturer shall not be held responsible to the buyer for any breach, including late delivery or failure to deliver, which breach is caused by occurrences beyond the Manufacturer's reasonable control, including, but not limited to, late delivery or non-delivery of manufacturing materials by suppliers, strikes or other union actions, suspension of or difficulties in transportation.
- 9.2. In the event that, due to any reason which was not foreseeable at the time the contract was entered into, the Manufacturer's obligations become excessively onerous in relation to the contractual obligations originally agreed upon and, in any event, the Manufacturer's obligations increase by more than 20% (twenty percent) compared to the value of such obligations as originally foreseen, then the Manufacturer shall be entitled to request an appropriate revision of the contractual terms or, in the event that the parties are unable to reach an agreement as regards such a revision, the Manufacturer may terminate the contract.

10. Governing law; Jurisdiction

- 10.1. The contracts of sale entered into by the Manufacturer shall be governed by Italian law, and in particular, in the case of contracts for the international sale of goods as defined in the 1980 - United Nations Convention on Contracts for the International Sale of Goods (CISG), by said Convention, where not contracted out of by these Conditions or by the parties in writing.
- 10.2. All and/or any disputes that may arise out of or in relation to these general conditions of sale and/or the sale of the Products by the Manufacturer to the buyer shall be settled exclusively by the courts of the jurisdiction in which the registered office of the Manufacturer is located. As a partial exception to the foregoing, the Manufacturer may, at its discretion, bring an action against the buyer in any court of competent jurisdiction for the place in which the buyer's registered office/principal place of business is located.

11. Personal Data Processing

- 11.1. Pursuant to European Regulation 2016/679, the buyer acknowledges that the "personal data" provided to and/or exchanged with the Manufacturer, even in the phase preceding the actual conclusion of a contract, shall be processed pursuant to and for the purposes contemplated by art. 13 of Regulation (EU) 2016/679; it is also understood that the buyer expressly consents to the processing of its "personal data," availing itself of its rights pursuant to articles 15, 16, 17, 18, 19, 20, 21, 22 of Regulation (EU) 2016/679.

12. Trademark/s, Trade Dress, Visual Identity and Other Manufacturer's Intellectual Property Rights

- 12.1. The buyer acknowledges that the trademark on the Products, their Trade Dress (i.e. the whole set of Products' and packaging characteristics that may be perceived by the market and is susceptible of indicating their origin from within the Manufacturer's undertaking), Visual Identity (i.e. within the scope of the Trade Dress, the visual elements which are susceptible of conveying the Manufacturer's



philosophy and mission) and any other distinctive marks, trade names and expressions used by the Manufacturer in the promotion and sale of the Products, belong to the Manufacturer exclusively. Therefore, the buyer shall not register or use, or cause third parties to register or use with the buyer's consent, said trademark/s or elements of the Trade Dress, Visual Identity, trade name or expression, or terms or expressions similar to or susceptible of being confused with them. Except as may otherwise be agreed by the parties in writing, the purchase of the Products shall not confer upon the buyer, expressly or implicitly, any right, title, interest or license in or to any industrial design, patent or any other intellectual property right of the Manufacturer.

- 12.2. The Manufacturer has not, to its knowledge, infringed and will not knowingly infringe any industrial designs, patents, copyright, trademarks or other intellectual property rights of third parties. In no event shall the Manufacturer be liable for any direct or indirect problem, loss, damage or cost of any sort incurred by the buyer as a result of the Manufacturer's infringement of any such intellectual property right, unless it is proven that the Manufacturer knew that the goods in question were manufactured or distributed in violation of a third party's pre-existing intellectual property right.
- 12.3. If the Products are manufactured by the Manufacturer in accordance with the directions of the buyer or if the Manufacturer applies to the Products any sort of procedure based on the buyer's instructions, the buyer shall compensate the Manufacturer for all losses, damages, costs and expenses incurred or suffered by the Manufacturer in connection with the Products or paid by the Manufacturer by way of settlement of any action brought against the Manufacturer for infringement of industrial designs, patents, copyright, trademarks or other intellectual property rights.
- 12.4. Should the Manufacturer be named as a defendant in any sort of legal proceeding in which it is alleged that intellectual property rights were infringed in connection with the manufacture of the Products supplied to the buyer, the Manufacturer may, in its sole discretion and without notice, terminate the contract and refuse to deliver other Products to the buyer, without giving rise to any liability of the Manufacturer to the buyer for any loss, damage or cost incurred or to be incurred by the buyer as a result of said termination and refusal to make further deliveries. In that case, the Manufacturer shall return to the buyer any sum paid by the buyer in advance for Products subsequently not delivered by the Manufacturer and the Manufacturer shall be under no further obligation to the buyer.

Date:/...../.....

VARVEL S.p.A.

THE BUYER

Mr

Mr.

The buyer hereby represents and warrants that it has read and understands the above General Conditions of Sale of the Manufacturer which govern this order and all contracts of sale by the Manufacturer. In accordance with Article 1341-2 of the Italian Civil Code, the parties hereby accept all the Conditions hereto and specifically the following clauses:

1.1 (Incorporation by Reference); 2.1 (Tacit Acceptance); 2.2 (Written Form); 3.1 (Non-binding Terms of Delivery); 3.2 (Risks); 3.3 (Obligation to Collect the Products); 4.4 (Warranty); 4.5 (Exclusion of Warranty); 5 (Late Payments); 6 (Termination of Contract); 7 (Retention of Title); 8 (Product Checks, Liability); 9 (Force Majeure and Hardship); 10.1 (Governing Law); 10.2 (Jurisdiction).

VARVEL S.p.A.

THE BUYER

Mr

Mr.