

**Mollificio F.lli Pagnin s.r.l.**

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**GENERAL TERMS OF SALE / SUPPLY****1. General Rules**

These general terms of supply are applied by Mollificio F.lli Pagnin S.r.l. (hereafter simply MP) to every contract - special terms of supply - that involves the production, sale and supply of goods by MP and, if not expressly derogated, attached to that contract, they form an integral part of the same. Any derogations and/or modifications of these general terms of supply must be explicitly agreed and confirmed in writing by MP. Any application of general or special terms of purchase determined unilaterally by the Customer is excluded, except if MP has explicitly accepted them in writing.

2. Prices

The Prices indicated on Quotations, Offers of variation of the ordered quantity, on Order Confirmations sent to customers are understood to exclude taxes and rates and do not include transportation costs. The prices indicated by MP on the Order Confirmation sent to the Customer will be used and will obligate the Parties. The Prices communicated by MP are deemed to be valid only for the supply subject to quotation and/or order and not for any subsequent supplies even if relating to the same products, unless otherwise agreed in writing between the Parties.

3. Quotations/Offers

Quotations/Offers are understood to be valid for a period of 30 days from their receipt, subject to unforeseen increases in the cost of raw materials.

4. Offers and Orders

- a. MP's offers are not considered to be binding, particularly with reference to the quantities, prices and delivery terms.
- b. The Customer, by making the purchase offer referring only to the products described in the special terms of supply, excluding any other good, activity or service not expressly covered in that order, acknowledges that it has carefully examined the technical and functional characteristics of the products ordered and deems them suitable for the intended indirect or direct use. Supplies of any requested prototypes and experimental samples are excluded.
- c. The Customer's Orders must indicate the ordered products exactly with reference to any product code, quantity, payment terms, destination location and any additional delivery instructions and they must mandatorily, under penalty of the Order being rejected by MP, be accompanied by these General Terms of Supply signed for acceptance by the Customer.
- d. If the Order is preceded by an Offer from the Customer, this will be understood to be valid for the maximum duration of 30 days, unless otherwise indicated. In any case, the supply contract will be understood to be finalised when the Order is confirmed by MP.
- e. The Order made by the Customer is understood not to be accepted until it has been confirmed in writing by MP for every single item.

f. If MP does not confirm in writing an order negotiated verbally, the issuance of the invoice by MP itself or the processing of the Order by it will be considered to be confirmation.

g. Orders and/or modifications of orders made verbally or by telephone must be confirmed in writing by the Customer. Otherwise, MP does not accept any liability for any errors or possible misunderstandings.

5. Subject of Supply

The supply concerns components and metal parts whose chemical composition characteristics, type of raw materials used, functionality and duration, control processes and, in general, every element connected to their conformation and use, have been defined by the Customer, which declares that the springs subject to the requested supply are suitable for their intended use. The Customer undertakes not to make any modification to the product and to respect its correct methods of use, declaring to know those correct methods. In particular, the Customer declares:

- to have provided in advance to MP all special technical specifications of the product, having made an express request for its components, construction, functional and performance characteristics, thereby assuming all the widest and exclusive liability as to the conformity of the springs with respect to their insertion in the final product, in terms of functionality, safety, and compliance of the final product with legal and/or technical standards, or to the state of available technical knowledge.

- to have assessed and considered the technical/construction characteristics of the products and to have identified them and accepted them as perfectly compliant with the use and/or application for which they are intended.

6 Order Modifications

On the presupposition that the Supply contract is finalised upon receipt by the Customer of the Order Confirmation and these General Terms of Supply sent by MP by fax or e-mail, thereby becoming irrevocable, the Order may only be cancelled or modified in writing before the Order Confirmation is received by the Customer. In any case, MP reserves the right, before the start of the manufacturing processes, to accept or reject modifications to the Order already received, both quantitative and qualitative, requested by the Customer. MP, in the case of an order modification, in any case reserves the right to alter the prices and delivery terms originally scheduled. If the changes to the contractual terms in relation to the modifications made to the products are not accepted, the Customer remains obligated to collect the products according to the characteristics in line with the original order.

7. Delivery term

The delivery term for products specified in the Order Confirmation sent by MP is understood to be indicative and is subject 1) to the date of return of these General Terms of Supply by the Customer; 2) to the receipt by MP of all technical specifications required by it to be able to produce the product ordered by the Customer. In any case, a tolerance of 15 working days is added to the delivery term. The delivery date established in the Order Confirmation is understood to be merely for the preparation of the goods ex works at MP's plant, unless otherwise agreed in the special terms of supply. The delivery term may be deferred for the time strictly necessary if the delay results from acts of God or causes of force majeure, actions of third parties, fires or strikes, and in any case for reasons not attributable to the wilful misconduct or gross negligence of MP. In any case, the Customer may not claim penalties, discounts, price reductions or indemnities for damages as a consequence of the delay.

8. Delivery Methods and Times

The delivery of the goods is understood to be made upon the communication, by MP to the Customer, that the products are available at MP's plant and it will take place in accordance with what is agreed with the Customer. If the Customer does not collect the goods within a period of 30 (thirty) days from the communication of availability of the goods, MP will be entitled to:

1) proceed directly with the shipment by the means deemed most appropriate, charging the respective costs to the Customer;

2) charge the costs of storage, quantified at a sum of 0.1% of the total fee, net of the goods, for each day of delay; in the case of a delivery split into tranches, the Customer may not in any way cancel and/or modify the agreed future deliveries and if it fails to collect even just one delivery tranche, MP will deliver the entire supply as ordered, charging the cost to the Customer and issuing a sales invoice. The delivery is understood to be made ex works at MP's plant. The goods are transported on behalf of and at the risk and liability of the purchaser, and at its expense. If it has been agreed that the transportation costs will be borne by MP, the risk of damages, loss and/or deterioration of the goods will be borne by MP. The costs of extraordinary shipping, rapid shipping or shipping of particular quality and/or other costs involved in delivery timescales requested by the Customer will be borne exclusively and in full by the latter. The supplier guarantees respect of the quantities indicated in the order with tolerance as to their nominal value of $\pm 5\%$.

9. Prices and Payments

The supplies must be paid for by the methods, with the due dates and in the terms expressly specified in the Order Confirmation, with the sums always being sent at the risk of the Customer, whatever payment method is chosen. For no reason and no cause may the Customer defer the payments with respect to the agreed due dates. In the event of a delay in payments, without prejudice to the right to terminate the contract for breach, MP will charge to the Customer, who waives the right to make any objection and dispute in that regard, and without the need for placement in default, default interest at the official rate in force pursuant to Italian Legislative Decree no. 231/2002. That rate will be applied in the case of renewal of delayed payments. Any product disputes will not entitle the Customer to defer or suspend the payments and/or not to make those payments. MP will be entitled to interrupt any split deliveries, if delays occur in payments by the Customer and in any case MP may suspend, until the full payment of the balance for the supplies in arrears, the processing of pending orders, charging the costs/expenses incurred by MP and with no penalty, with the defaulting Customer waiving any compensation for damages. In no case may the sums due to the Customer as a fee for the goods indicated in the order be offset by other counter-credits, of any nature and in any guise, claimed by the Customer from MP, just as reductions, deductions or counter-claims for payment may not be applied to the sums due as a result of this order.

10. Complaints

MP guarantees the proper construction and good quality of the goods for 24 months from the delivery date and it undertakes to repair or replace free of charge products that within that period are found to be effectively unusable, due to a material or processing defect.

a. any defects relating to the condition of the packaging, the quantity of products delivered, the type of item, the deformity of the product with respect to the characteristics of that ordered or the measurements, respect of the technical specifications and/or the sample, the type of production material used or the processes performed - for example, "superficial" – must be communicated to MP by and not beyond 8 (eight) days from receipt of the products. The written complaint must indicate the Customer's Order details and the details of MP's Order Confirmation, as well as providing a description of the defect subject to complaint. If the complaint is not received by MP within the aforementioned period and with the indications identified above, the delivered products will be understood to be accepted as compliant with those ordered by the Customer.

b. any defects that cannot be identified upon delivery of the products and concerning defects attributable to the raw material used and/or manufacturing defects must be communicated to MP by and not beyond 8 days from discovery and in any case no more than 3 (three) months from delivery, subject to any other term agreed. The written complaint must indicate the Customer's Order details and the details of MP's Order Confirmation, as well as providing a description of the defect subject to complaint. If the complaint is

not received by MP within the aforementioned period and with the indications identified above, the delivered products will be understood to be accepted as free from defects. Upon receiving the complaint, MP will commence the verification process of the defect / deformity communicating to the Customer the terms and methods of assessment and the outcome of the verifications; MP will communicate in writing to the Customer its decisions in that regard. If the complaint is accepted, MP will decide autonomously whether to repair or replace only the defective pieces with the exclusion of any compensation for damages and/or costs of any nature. MP will not accept returns and/or complaints that do not comply with the procedures indicated above. If it is impossible to repair or replace the defective products, MP's liability may not exceed the purchase price of those defective products.

11. Guarantees

The guarantee provided by MP on its products is understood to be limited to the pure and simple collection of the defective product, and its replacement, with no additional costs and expenses, indemnities and/or reimbursements of any nature, even for transportations, labour, repairs or replacement of other defective and/or damaged components. Defective parts are sent to MP at the Customer's expense, unless otherwise agreed in writing. In any case, MP will not be liable in any way, excluding repairs and/or replacements, when the defect or deformity is attributable to improper, incorrect and/or unsuitable use for the product characteristics or contrary to the instructions provided by MP, to wear or to the average life cycle of the product, to modifications and/or processes of any nature subsequently performed by the Customer, to incorrect or insufficient maintenance or storage of the product. In particular, the guarantee does not apply where:

1. The defect is a consequence of poor and/or incorrect installation, maintenance and/or storage
2. Treatments has been performed or the product has been tampered with, making the springs no longer compliant with their original state or compromising their use
3. The springs have been installed on a finished or partially finished product, in relation to which the springs supplied and the respective technical specifications are not suitable in terms of functionality, duration, reliability and safety
4. The technical, structural, qualitative and performance characteristics of the springs supplied, also based upon safety, are not compatible with those of other products, equipment or substances, with which they enter into contact during their incorporation into a finished product, or with environmental or usage situations that, by their nature, may alter or modify, to any extent, the characteristics of the goods supplied.
5. The defect is a consequence of use not compliant with the technical specifications of the springs supplied or of incorrect, improper, irrational or negligent use by the Purchaser or by the end user of the product into which the springs were incorporated or inserted.
6. The defect was not reported in respect of the procedures and timescales indicated in the above point.
7. They are indirect damages of any nature (loss of production, loss of profits or sales, machine or line shutdown, interventions by the authority, withdrawal from the market, etc...). If the guarantee does not operate, support can only be provided by charging to the Customer the price of the replaced parts and the costs of labour, as well as those of transportation, transfer of material and personnel. The guarantee is understood to be provided for the duration indicated above, irrespective of the term of guarantee otherwise granted by the Customer to third parties and/or to users of the finished product into which the goods have been incorporated or inserted. MP reserves the right to make technical modifications to its products and individual components and/or to change the specifications of its products without assuming

any obligation to apply those changes and modifications to products already sold and/or shipped to its Customers.

12. Limitation of liability clause

In any case, the amount of compensation that, for any reason or cause, MP must pay to the Customer and/or third parties, as a result of the placement in circulation of the final product, may not exceed the limit of the total value of the springs relating to the disputed Order and Order Confirmation. That compensation limit will be applied if MP is asked to compensate and/or indemnify and/or guarantee and/or hold harmless the Customer and/or third party manufacturers of the finished products, into which the goods have been incorporated and/or inserted, for damages caused to final users of the products (persons, animals or property), and also if the injured parties make a direct claim for compensation against MP, with the right of recourse against the Customer, for the difference of the greater damage compensated.

13. Transfer of credits

MP will have the right to transfer to third parties the credits relating to the fee for the supply subject to this contract, to which the Customer, by signing this document, expresses its consent in advance.

14. Change of Customer's financial conditions and/or insolvency

MP will have the right to suspend the execution of the contract, in accordance with Art. 1461 of the Italian Civil Code, if changes occur to the Customer's financial conditions. In any case MP will be entitled to terminate the sale not yet executed and/or to cancel the order, with no liability towards the Customer, by simple written communication, if one of the following events occurs:

- the Customer is declared bankrupt, or is admitted to insolvency proceedings;
- the Customer makes a proposal of extrajudicial arrangement with creditors, even not directed at MP;
- the Customer's company is liquidated or dissolved;
- compulsory administration procedures are launched against the Customer;
- the Customer is subject to enforcement proceedings, for securities and/or properties, has suffered seizures, or injunction orders have been issued against it;
- the Customer has received, from credit institutions, revocations of credits or loans;

15. Confidentiality Obligation

The Parties mutually undertake to maintain the strictest confidentiality over the technical and commercial information of their respective products, of which they become aware as part of the supply relationship.

16. Privacy Protection

The Parties acknowledge that the personal data communicated and/or exchanged, even in the pre-contractual information stage, has formed and will form the subject of processing in accordance with, for the effects of and with the purposes indicated in UE 2016/679 (GDPR) – Ex D.Lgs. 196/2003 - Ex Legislative Decree no. 196/2003.

17. Singularity of Contract

The Special Terms of Supply indicated in the Order and respective Order Confirmation along with these General Terms of Supply constitute a single regulation of the contractual relationship between the Parties. That single regulation constitutes and renders ineffective any other prior agreement between the Parties relating to the subject of the Supply. If other contracts, simultaneous or subsequent contractual conditions are in any way applicable, the clauses of the single regulation as specified above will be understood to prevail.

18. Amendments and Additions

Any amendment and/or addition to this contract will be valid only if agreed in writing.

19. Communications

All communications relating to the implementation of the commercial relationship between the Parties will be valid only if made in writing, even by fax or by exchange of e-mail. All communications must be made to the addresses specifically indicated by the Parties. The Parties undertake to give prompt communication of any changes to their company details, therein including bank details, and data necessary for the accounting of sales.

20. Disputes and court with jurisdiction

For any dispute that might arise due to the application, interpretation, execution, termination of the Supply relationship and respective single regulation, the Court of Padua will have exclusive jurisdiction.

21. Final clause

The Customer is required to send to MP any requests for clarifications or requests for derogation of these general terms of sale within 30 calendar days. If it has not received anything within that period, MP will deem these terms of sale to be accepted in all their parts and will deem them applicable to future supplies. MP will inform the Customer of any future revisions of these terms of sale.

Selvazzano Dentro (PD), dated

Mollificio Fratelli Pagnin srl

the Customer

In accordance with and for the effects of Art. 1341 of the Italian Civil Code, the Customer signs for express and specific acceptance and approval of the following clauses:

- 10 (complaints);
- 11 (guarantees);
- 12 (limitation of liability clause);
- 20 (disputes and court with jurisdiction)

Selvazzano Dentro (PD), dated

Mollificio Fratelli Pagnin srl

the Customer