

## **TERMS AND CONDITIONS OF SALE AND WARRANTY**

### **a) OBJECT OF SUPPLY**

The supply only includes what is indicated in the order confirmation. Any changes to the terms and conditions of sale must be expressly requested when the order is confirmed. We will approve the changes at our sole discretion.

However, if our approval is not given, any clauses included by the customer in their orders, letters of correspondence will be disregarded.

### **b) EXCLUSION FROM SALE**

- 1- Models, designs, illustrations and instructions for the construction and installation of the goods supplied are not included in the sale and are owned exclusively by the vendor.
- 2- Copies of the above will be provided on a courtesy basis. They may not be duplicated or transferred to a third party.

### **c) ORDERS AND ADVANCES**

- 1- If the order confirmation requires the customer to pay part of the price in advance, the advance will be used as a confirmatory deposit (Article 1385 civil code).
- 2- No interest is payable on advances.
- 3- If the order confirmation is terminated due to default by the customer, the amount already paid will be retained by the vendor as compensation, without prejudice to further losses.

### **d) DELIVERY DATES**

- 1- The delivery date declared in the order confirmation is not binding and is only given as an approximation. A grace period of two months will apply from the date of shipment, subject to the provisions of paragraph D3.
- 2- Late deliveries will not give any entitlement to compensation indemnity for the customer, nor may the contract be terminated.
- 3- Contingencies that delay delivery due to force majeure or fortuitous events will automatically extend the delivery date by a period equal to the duration of the force majeure event.
- 4- The goods will be delivered to the vendor's warehouse, but the vendor may at its discretion send them to the shipping agent for forwarding to the customer on behalf of the customer and at its expense, exempting the vendor from all responsibility.

### **e) TRANSPORT-INSURANCE-PACKAGING-**

- 1- The goods will travel at the risk and peril of the customer who must therefore check the goods upon arrival. In the case of damage, the necessary complaints must be made to the carrier or shipping agent.
- 2- The goods are not covered by transport insurance unless agreed otherwise in the order confirmation.

### **f) CHARACTERISTICS**

- 1- The customer confirms that he/she is familiar with all the characteristics of the goods supplied as described in the catalogues, price lists or proposals issued by the vendor, in force on the date of the order confirmation, and confirms that a copy of the characteristics was received prior to the order.
- 2- All the technical details in the catalogue relating to performance, production, consumption, speed, capacity and weight, are given by way of indication only. The acronyms used to identify the products are given as a reference to the technical characteristics in the vendor's catalogues.
- 3- The vendor may deliver the products ordered with any technical modifications it considers necessary or useful.

### **g) TESTING AND INSTALLATION**

- 1- The tests will take place in the vendor's workshop prior to delivery, after which the equipment will be considered unconditionally accepted by the customer, exempting the vendor from responsibility.
- 2- At the customer's request the vendor may send its own installers or testers to install the equipment at the customer's home. The reimbursement of costs in each case will be invoiced by the vendor to the customer based on the Assofluid tariff in force on the applicable date.
- 3- The customer is considered to be the custodian of the spare parts or materials and of the garments and belongings of the installers or testers.
- 4- The costs of installation and/or testing at the customer's home will be paid immediately by the customer, in accordance with the conditions in the order confirmation.

### **h) COMPLAINTS AND DISPUTES**

- 1- Complaints in respect of defects or discrepancies compared to what was agreed must always be sent by registered post otherwise they will not be valid. They must be sent within eight days of delivery, or in the cases provided for in article E, from the arrival of the goods at the destination, or for hidden defects only, from the date of discovery, with the warning that hidden defects will only be considered such if they could not be detected after a full check by the customer's quality control department.
- 2- Complaints or objections may only be made within three months after delivery, after which time, if no legal claim has been made, all rights will be time-barred. This clause expressly derogates the provisions of the Civil Code.
- 3- The vendor's liability is limited to the replacement of defective parts, with the exclusion of any right to reimbursement or reduction in the price or to any additional compensation for losses.
- 4- The months of warranty for the goods supplied are given in respect of usage of eight working hours per day. Any usage for longer periods will reduce the warranty to 3 months from the date of delivery.

### **i) WARRANTIES-LIMITATIONS-EXCLUSIONS**

- 1- The vendor will provide a warranty for the normal mechanical functioning of the goods supplied for a period of six months (subject to the provisions of paragraph H4), from the date of delivery.
- 2- The warranty is limited to the replacement of faulty or defective parts due to poor quality material or poor manufacturing. The warranty does not extend to defects that depend on natural wear and tear or from improper use or negligence by the customer, or to parts that are subject to rapid deterioration due to the composition of the material or due to the type of use.
- 3- Faults or defects must be declared by registered post within eight days of discovery, failing which the claim will be invalid. If the vendor acknowledges that the defect exists, the vendor will replace the defective parts provided that they have not been tampered by the customer or by a third party with in an attempt to repair or modify them, and provided that the customer has complied fully with the contractual obligations with particular regard to payments that, if not made by the agreed date and under the agreed terms, will result in the lapse of the warranty and the loss of the right to replacement.
- 4- Any other indemnity or claim for compensation, also by a third party, or for damages due to stoppage of production, is hereby excluded.
- 5- The parts to be replaced must be sent to the vendor at the expense of the customer. The vendor will arrange for delivery of the replacement items to its own premises, as quickly as possible. The replacement parts, owned by the customer, will remain at the customer's disposal for eight days, during which time they may be collected; after that date the vendor will be invited to consider the parts as its own property, as scrap, and will pay no indemnity.
- 6- The causes of the defects will be investigated at the premises of the vendor and all the related costs will be paid by the customer. The customer will also bear the costs of any site

visits that may be requested at any time. Under no circumstances may the customer demand termination of the contract.

- 7- The warranty may not be transferred and is only valid for the person whose name is on the invoice.
- 8- The warranty will not be effective if one of the following conditions arises:
  - a. Payment is not made by the customer under the agreed terms and conditions.
  - b. The goods supplied were tampered with, without the express authorisation of the vendor.
  - c. Usage did not conform to the intended usage.
  - d. Maintenance was not carried out.
  - e. Assembly, modification or substitution of parts, or of the goods supplied.

#### **j) PRICES**

- 1- The prices stipulated in this order confirmation are ex-works of the vendor, net of VAT.
- 2- Any changes of more than 2% in the cost of labour or materials that may arise during execution up until delivery, will be paid by the customer who hereby agrees to accept such changes.

#### **k) INVOICING AND TERMS OF PAYMENT**

- 1- Invoices that are not disputed within eight days of issue will be deemed to be accepted.
- 2- Payments are to be made directly to the vendor or to a person with a valid collection mandate, in the terms indicated in the order confirmation and in the invoice.
- 3- Complaints regarding the fulfilment of the order confirmation will not entitle the customer to suspend payment and no complaints about the supplier will be considered if the customer is not up to date with payment.
- 4- Amended as per paragraph 7.
- 5- If even a single instalment is missed, this will result in forfeiture of the extended payment terms and therefore the contract will be terminated with no obligation to issue notice of default.
- 6- Failure to observe the terms of payment will entitle the vendor to suspend the fulfilment of its contractual obligations and to terminate the contract by giving notice, with the right to claim damages.
- 7- DEROGATION OF AUTOMATIC APPLICATION OF DEFAULT INTEREST – Delays in payments after the dates agreed will result in default interest being debited in accordance with the provisions of legislative decree 231/2002 and art. 1219 et seq civil code. Notwithstanding the principle of automatic debiting of default interest (article 4 (1) of legislative decree 231/2002, it is agreed that default interest must be demanded by FAI S.r.l. Default interest will be applied from the date of the registered letter.

#### **l) EXEMPTION FROM LIABILITY**

- 1- If the goods sold are located at the vendor's premises, the vendor will not be liable for any damage caused by climate events, break-ins, thefts, fires or other unexpected situations or force majeure events except to the extent to which it may be guaranteed by a third party, with the exclusion of further liability in any case.
- 2- The vendor warrants that the goods supplied were checked and inspected before the sale and therefore the delivery is free from defects.
- 3- The construction techniques are the most advanced, and allow the construction of an avant-garde product.
- 4- The client will therefore immediately inform the vendor of any defects that may be discovered, also by a third party, to allow the immediate inspection of the defects.
- 5- As this is a sale of components to be incorporated into other products, the customer will follow the procedure contained in Presidential Decree 24.5.88 no. 224 and will immediately inform the vendor.
- 6- With regard to the exclusion of the vendor's liability, refer to Article 6 of Presidential Decree no. 224 of 24.5.1988.

**m) ORDERS THROUGH AGENTS**

- 1- Orders made through agents will be subject to approval by the vendor, to the availability of the goods at the time the order is received, of the continued existence of market conditions, and the solvency of the customer.

**n) FORUM**

- 1- The Court of Milan has jurisdiction over any disputes. Negotiations, acceptance of payment, electing domicile, shipments with or without checks, payments collected through authorised agents, will not affect the territorial jurisdiction.

Pontirolo Nuovo, \_\_\_\_\_

FAI FILTRI S.r.l.  
Sales Manager

FAI FILTRI S.r.l.

Customer

Roberto Pasotto

(Stamp and signature)

(Stamp and signature)