

GENERAL TERMS & CONDITIONS OF SALE AND DELIVERY OF SPARE PARTS

(November 2018)

1. General provisions, scope of validity

- 1.1 These general terms and conditions of sale and delivery of HENNECKE-OMS, with registered offices at Via Savvionetta 420843 Verano Brianzo (MB) (hereinafter: the "Seller"), apply to all commercial relationships with professionals, companies, legal persons, entities under public law, associations, foundations, and more generally all commercial relations other than with consumer parties (hereinafter: the "Client") as defined in Legislative Decrees 206/05 as amended, with the object of sale and delivery of spare parts. If there are agreements between the Client and the Seller with the other and different aims with respect to the delivery of spare parts, they will be subject to the distinct and separate general terms and conditions that can be found by consulting the website: www.hennecke.com/gtc. The general terms and conditions of sale and delivery of spare parts comprise, in their respective versions, a framework contract intended also to manage the future contracts with respect to the delivery of spare parts concluded with the same Client in a uniform fashion without the Seller needing to refer to it again. The spare parts are components, products or a combination of components/products intended to restore functionality and to replace parts that have been worn or damaged or are missing. The installation services carried out by the Seller within the context of the delivery of spare parts are governed by distinct and separate general terms and conditions.
- 1.2 Divergent or complementary general terms and conditions by the Client may comprise an integral part of the contract and are considered as valid only if, and to the degree that, the Seller has expressly consented to their application.
- 1.3 Any derogation, complementary agreement and/or amendments to the content of these delivery terms and conditions must be done in writing and must be the object of specific individual negotiations. That also applies to waivers of the requirement for written amendments.

2. Proposal and stipulation of the contract

- 2.1 The Seller's offers are not binding and are subject to confirmation within the meaning and for the effects of Section 1336 Civil Code. Every order by the Client constitutes a binding contract proposal. The Seller may accept the proposal within 4 weeks of receipt. Acceptance can be done explicitly, in writing (e.g. by means of an order confirmation) or tacitly by means of delivering the goods to the Client.
- 2.2 The Seller reserves the right to make changes with respect to the delivery of the goods or services (for example changes concerning the weight, dimensions, specific functionality, load resistance, the tolerances, the technical data or the descriptions of the products) and the representation thereof (e.g. changes to design and illustrations) subject to the conditions that the aforementioned differences would not be such as to alter the goods significantly or that the changes in question would be an improvement with respect to quality and that such changes or differences are reasonably acceptable to the Client.
- The information provided by the Seller concerning the products or services do not constitute a promise or guarantee with respect to their characteristics or quality within the meaning of Section 1497 Civil Code but represent a mere description of the characteristics or quality.
- 2.3 The Seller retains all ownership and copyright on all documents. The documents must not be made available to third parties and must not be used for publicity purposes; on request they must be returned or proof must be provided of their destruction. The documents may only be used for the execution of the contract and in conformity with the contract. It is expressly forbidden to use the contents of the documents to manufacture or provide equal or similar products. The project designs are not being provided.

3. Prices and payment

- 3.1 Unless otherwise agreed, the prices are ex-works plus Value Added Tax (VAT) and any additional costs of installation, putting into service and packaging; any export is subject to additional costs for customs duties, legal charges and other fiscal charges. Packaging for transport and other packaging, carried out in

accordance with the relevant standards, cannot be waived. The purchaser is responsible for arranging for the disposal of the packaging, at their own expense.

- 3.2 If the prices agreed fall below the Seller's list price and the delivery is to be done more than four months after the conclusion of the contract, the Seller's list prices at the moment of delivery will apply (in any event, minus an agreed percentage or a fixed discount).
- 3.3 The weight measurement, determined at the end of the cost calculation, will take place at the Seller's shipping location, unless the Client requests that it be done at the Railroad loading site or the delivery station, at their own expense.
- 3.4 Invoicing the delivered goods will be done following the transfer of the risk; the invoice is due immediately, without any deductions. The Client will fall immediately into default 14 calendar days following the transfer of risk and the date of the issuance of the invoice. The legal stipulations concerning late payments for commercial transactions, and especially the provisions of Legal Decree 231/2002 are applied. Payment will be considered to have been made on the date that it is received by the Seller. The checks will be considered as payment only when they have been effectively cashed. If the Client is late in paying for reasons not attributable to the Seller, the Seller, subject to any other request for compensation, will be entitled to defer the fulfillment of its own contractual obligations until such time as the payments have been received.
- 3.5 The Client is not entitled to compensation and cannot rely on non-performance unless the counterclaims and the exceptions raised are not disputed or are confirmed by court ruling.
- 3.6 If, after the contract has been concluded, the Seller should become aware of circumstances that could concretely reduce the creditworthiness or solvency of the Client, and due to which the balance of the receivables arising from the contractual agreement (including the single orders that fall under the same framework contract) owed to the Seller by the Client is placed at risk, the Seller is entitled to fulfill the deliveries or to perform services not yet provided only upon payment of an advance or the provision of a suitable guarantee by the Client.

4. Terms of delivery and delay

- 4.1 The products are provided ex-works (EXW, Incoterms 2010), which is also the location of execution or fulfillment. At the request of the Client, and at the Client's expense, the goods can also be shipped to a different location (sold with shipping to a different location than the location of fulfillment as per Section 1510 of the Civil Code). Unless otherwise specified, the Seller has the right to determine the type of transport and shipping (specifically, the shipping company, the shipping route, the packaging). The costs of shipping are borne by the Client.
- 4.2 The delivery terms proposed by the Seller are always indicative and are not binding, unless a fixed term or a due date has been explicitly promised and agreed in the written order confirmation. Regardless of whatever has been agreed with respect to a shipment, the times and the date of delivery shall be understood to mean the moment at which the acquired goods depart the Seller's premises or a message has been sent to the Client of the goods are ready for shipping.
- 4.3 The Seller's obligations are conditional on the punctual and correct performance by its own suppliers.
- 4.4 The respect for the due date on the part of the Seller assumes that all of the commercial and technical questions between the contracting parties have been clarified and that the Client has fulfilled all of their obligations, such as, for example, obtaining the necessary certifications and permissions that ought to have been issued by the competent authorities or the obligation to pay a deposit. Otherwise, the delivery period will be extended as required. The aforementioned stipulations do not apply if the delay is attributable to the Seller.
- 4.5 If the Client is in arrears with respect to the acceptance (acceptance/verification as part of the sales/shipping process) or if the Client violates, due to their own fault, cooperative obligations of another kind, the Seller has the right to request

compensation for damages arising from the aforementioned causes or violations, including compensation for any cost increases incurred. The company furthermore retains the right to request compensation for other damages. For the duration of the period that the aforementioned conditions persist, the risk of loss or accidental deterioration of the acquired goods will pass to the Client as long as the Client is in default with respect to acceptance or payment.

- 4.6 The Seller shall not be held responsible for missing or delayed deliveries if the aforementioned non-performances occur as a result of *force majeure* (such as riots, war, natural disasters) or other unavoidable circumstances that could not have been foreseen when the contract was concluded or that are not attributable to the Seller (such as, for example, strikes or lock-outs, shortage of workers, lack of means of transport, difficulties in acquiring raw materials or power, difficulties in obtaining necessary administrative authorizations, administrative measures as well as missing, incorrect or late deliveries on the part of the Seller's suppliers). If such events make the delivery of execution of the performance too onerous or impossible for the Seller and the impediment is not temporary, the Seller is entitled to dissolve the contract. In the event of a temporary impediment, the delivery date or the terms for execution of the performance will be extended or prorogated for the duration of the impediment plus a reasonable start-up period. Where it can be reasonably concluded that the Client is no longer interested in the execution of the performance or the delivery of the goods as a result of the delay, the Client may withdraw from the contract by informing the Seller in writing in a timely fashion.
- 4.7 The Seller has the right to execute a partial delivery of the goods if a) the Client is able to use the goods in the partial shipment profitably in accordance with the aim and function of the contract, b) the delivery of the remaining goods ordered, as stipulated in the contract, is guaranteed and, therefore c) the Client is not likely to incur significant costs or excessive additional costs.
- 4.8 If the Seller has delayed a delivery or the performance of a service or in the event that, for any reason whatsoever, making a delivery or providing a service has become impossible, the responsibility of the Seller to pay compensation for damages is limited as stipulated in clause 7 of these General Terms and Conditions of Sale and Delivery.
- 4.9 In the event that, at the Client's request, the delivery is to be done on a date other than the date originally agreed, the payment must, in any event, be made as if the delivery had been made on the date originally agreed. The foregoing also applies in the event that the Client does not accept the delivery as agreed. The costs of having to store the good and other costs incurred due to the delay are to be borne by the Client.

5. Transfer of risk and acceptance

The risk is transferred to the Client, at the latest, at the moment at which the goods to be delivered depart the premises of the Seller. The same condition also applies if the delivered is done as a partial delivery or the Seller has also undertaken to provide additional services (e.g. shipping or installation). In the event of delay of the shipment or the delivery due to circumstances attributable to the Client, the risk is transferred to the Client on the day on which the goods were ready for shipping or delivery and the Seller has communicated that information to the Client.

6. Reservation of title

- 6.1 The Seller reserves the right of ownership on the delivered goods until payment of all receivables arising from the commercial relationship with the Client have been paid, in particular any credit balance of the current account due to the Seller.
- 6.2 Until the client has acquired title over the goods, the Client is required to maintain and repair the goods shipped to it and to use them with due care and attention for the period in which they are subject to retention of title; the Client must safeguard them, at its own expense, from damage from fire and water and against loss through theft and robbery. The Client must notify the Seller without delay of any damage to the goods in question. On request, the Client must provide a copy of the insurance policy to the Seller for purposes of verification. The Client transfers to the Seller in advance all credit rights arising from the insurance contract. The Seller accepts the cession. In the event that the Client has not insured the delivered goods/services sufficiently,

the Seller has the right - but not the obligation - to have the goods/services insured at the Client's expense.

- 6.3 In the event of seizure due to foreclosure or other action taken by a third party with respect to the goods, the Client is required to inform the Seller in writing without delay.
- 6.4 The Client is permitted to use the goods, which are still the property of the Seller, and the Client is authorized to resell the goods as part of the regular conduct of their business, subject to the condition that the Client is not in arrears with payment. The goods may not be pledged or transferred as a guarantee. The Client hereby cedes to the Seller, entirely and as a guarantee, its own receivables due from its own customers arising from the resale of the goods as well as the receivables related to the object of the contracts that may arise in any other way (in particular the receivables arising from illegal acts, from the sale to end clients and the insurance payments). The Seller accepts the cession. The Client is authorized to accept the credits ceded to the Seller, in the Client's own name on behalf of the Seller; this mandate is irrevocable. If the Client does not fulfill their contractual obligations, including the situation of being in arrears with payments, the Seller may require the Client to inform the respective debtor of the cession of guarantee title in favor of the Seller and provide the debtor with all of the information and documents necessary for the collection.
- 6.5 In the event of a breach of contract on the part of the Client, especially with respect to payment arrears, the Seller may request, following a reminder and the fixing of a reasonable payment schedule, the return of the delivered goods, that are still under reservation of title, at the Client's expense. Such a request of return of the goods from the Seller must be considered equivalent to a withdrawal from the contract. Subsequent to the return of the goods, the Seller is within their rights to market the goods. The proceeds from the sale, less any reasonable costs incurred for the conversion of the goods in cash, is compensated by the amounts owed by the Client.
- 6.6 If any of the goods that have been delivered to the Client under reservation of title have been attached to something else, the reservation of title continues to be valid and effective and the effects extend to the new thing created by the aforementioned incorporation. The Seller acquires co-ownership of the new thing commensurate with the value of the goods delivered to the Client. If one of the things is incorporated to or connected in such a way that a thing should be considered to be the main thing (and not an accessory), the Client will confer to the Seller commensurate co-ownership of such a thing. The Client will hold on deposit and take into custody, free of charge, everything on which the Seller has acquired co-ownership. In the event that the goods delivered to the client under reservation of title are being resold as integral parts of a new thing, the cession to which clause 6.4 applies affects only the value and the amount indicated on the invoice for the goods delivered to the Client and subject to reservation of title.
- 6.7 The Seller is required to release the guarantees that it holds at the moment that they exceed 10% of the value of the receivables owed by the Client. In that situation, the Seller is permitted to select which guarantees to release.
- 6.8 If the laws of the Country of the destination of the goods do not consent to reservation of title or recognize its subordinate validity with respect to certain conditions, the Seller reserves the right to apply other and different liens on the delivered goods. The Client undertakes to cooperate with the Seller with respect to any act that is necessary in that regard (such as the registering in a registry or similar system or the adherence to the stipulations of Sections 1523 and 1524 of the Civil Code) in order to render the reservation of title valid and effective or to apply other suitable liens to protect the interests of the Seller in lieu of the reservation of title.

7. Responsibility

- 7.1 The Seller is liable, in accordance with the stipulations of law, for the violation of essential and relevant contractual obligations or those obligations or duties specifically enumerated in the contract, the execution of which is necessary to ensure the correct and normal fulfillment. The Seller is not liable for other contractual violations as long as the damage that results was caused by actions or omissions caused intentionally or gross negligence of its own legal representatives, principle auxiliaries or other responsible entities that the Seller relies on for the fulfillment of the obligations stipulated in this contract. The Seller

is liable for indirect damages only if they are caused by violations of the obligations committed intentionally or through serious negligence.

- 7.2 If no intentional conduct on the part of the Seller can be ascertained, the Seller is only responsible for typical, reasonably foreseeable, commonly occurring damages.
- 7.3 The foregoing provisions do not absolve the Seller from liability for damages caused by defective products within the meaning of Section 114 and ss. of Legislative Decree 206/2005 or liability for bodily injury to living beings (physical integrity) to the body or health.
- 7.4 Except as specified above, any other claim for compensation for non-performance from the Seller is excluded.
- 7.5 Demands for compensation or actions in that regard in the hypothetical situation referred to in clauses 7.1 through 7.3 are subject to the stipulations of law.

8. Product defect guarantee

- 8.1 The guarantee and the rights claimed by the Client for product defects assume that the foregoing fulfilled its inspection obligations and its obligations to contest correctly, as stipulated in Section 1495 of the Civil Code.
- 8.2 If the Seller delivers new spare parts that turn out to be defective, the Seller must remedy the defect, at their discretion, or repair the defect to eliminate it or replace the defective part with a new part. If the part is substituted, the Client must return the defective part to the Seller. The costs incurred for repair or replacement (for the subsequent performance), specifically the shipping costs, labour costs and materials costs, shall be borne by the Seller; the foregoing does not apply if the costs have to be increased because the goods are located somewhere other than the destination location.
- 8.3 In the event that used parts are sold as "repaired" or "second hand/used" and not as "refurbished" or "in optimal condition/like new" by the Seller, the Seller is only liable for the period of time stipulated in clause 7. If a used part is sold as refurbished or as used but in optimal condition and it turns out to be defective, the Seller is obligated to remedy the situation and eliminate the defect. If the attempt to eliminate the defect is unsuccessful, the Client is only entitled to a reduction of the purchase price. The liability conditions remain unchanged as stipulated in clause 7. No other guarantee is stipulated.
- 8.4 The Seller has the right to carry out additional activities or further fulfillment only if the Client pays the purchase price. The Client, on the other hand, does have the option of withholding a portion of the price that is reasonably proportional to the reduction in value of the goods due to the defect in question.
- 8.5 If the subsequent fulfillment referred to in clause 8.2 fails twice, the Client will be entitled to a reduction in the price or the dissolution of the contract. The right to dissolve the contract is excluded in the event of a non-essential defect. The Client can, however, request compensation in accordance with the provisions of clause 7. Any other guarantees are not stipulated..
- 8.6 Except in the case of bad faith and without prejudice to the provisions of clause 7.5, the demands and the actions arising from the guarantee with respect to defects shall take place within 12 months of the delivery.
- 8.7 The guarantee does not cover normal use. Parts that are subject to normal usage or deterioration include, for example, filter elements, shaft seals (e.g. for pumps and agitators), seals in general, injectors, butterfly valves, high pressure lines/tubes, etc.
- 8.8 The warranty does not cover malfunctions or damages caused by the Client or by third parties not commissioned by the Seller due to usage that has not been agreed to or is in violation of what has been contractually agreed or for damages due to assembly, installation and start-up operations that deviate from the assembly, installation or start-up instructions provided by the Seller or by errors in use and installation, as well as omitted or poorly executed maintenance, for example, because unsuitable or inappropriate instruments were used. Furthermore, the warranty is void in the event the Client or third parties that are not appointed by the Seller make significant modifications to the delivered goods.
- 8.9 The machine components are designed and selected for the use of the usual non-aggressive polyurethane raw materials.

Corrosive or abrasive raw materials with a strong acid or alkaline reaction due to additives used or solid crystal or mineral contents can cause significant wear with a reduction of their lifespan. The Client is solely responsible for the use of those types of raw materials.

9. Technical information and advice

- 9.1 The information and advice of the Seller are not binding and cannot transfer the primary responsibility to the Seller unless the Seller has expressly undertaken in writing to provide such information and advice. The Client is required to verify that a product is suitable for specific uses. Details and information provided by the Seller with respect to their own goods do not constitute a guarantee as to their suitability for the Client's use purposes, nor can they be considered as promised or essential qualities within the meaning of Section 1497 of the Civil Code.

10. Use of the software

- 10.1 To the degree that software is included in the delivery, the Client acquires a non-exclusive right of use of the software, including the related documentation. Nevertheless, the Seller stipulates that the aforementioned software is only to be used with the goods that make up the delivery and for the purposes for which it was intended. Use of an individual copy of the software on more than one system is prohibited.
- 10.2 The Client may duplicate, elaborate, translate the software or convert the object code into source code within the limits allowed by Law no. 633/1941 as amended - only to the degree necessary for the functioning of the object of the delivery (Section 64-ter of the same law). The Client undertakes not to remove the product information - especially the copyright symbols - and not to make changes to it without the prior express consent of Hennecke.
- 10.3 All other rights related to the software and the documentation, including the copies, remain the property of the Seller or the supplier of the software, respectively. Granting a sub-licence to third parties is prohibited.
- 10.4 If software is included in the delivery, for the documentation of the machine and the plant, the foregoing is limited solely to the software necessary for refurbishing the machine or the plan to their original state (back-up software) in the event of a malfunction, loss of data or similar event.
- 10.5 In the event that the delivery includes software for which the Seller only has derived rights, i.e. software whose rights belong to third parties, the conditions of use of the rightsholder(s) apply. If the conditions of use of the rightsholder(s) are not attached to the documentation of the machine and the plan, the Seller will provide them on request. The activities reserved to the rights-holder(s) by law require the authorization of the rights-holder(s). If the Client wishes to carry out one of the aforementioned reserved activities, the Seller will apply for authorization from the rights-holder(s) at the request of the Client.
- 10.6 The modifications to the machine code contained in the control software can only be done with the explicit consent of the Seller's electrical engineering department.
- 10.7 If the Seller installs software via remote assistance, without sending personnel to the site, for the purpose of configuring the software, the Client is required to take all possible adequate measures to reduce damages caused by any malfunction of the software itself for the duration of the configuration and start-up phases. Measurements include functional verification of the systems and the facilities of the remote assistance, major initial attention to the functional parameters and the machine and also the possibility of shutting down the systems immediately should malfunctions occur.
- 10.8 Personal data will be handled in accordance with the GDPR. For detailed information concerning data protection, please see our privacy policy.

11. Applicable law, competent courts, place of fulfillment

- 11.1 The location of fulfillment for all of the contractual obligations between the Client and the Seller is the legal registered offices of the Seller, unless otherwise stipulated or by the nature of the performance assigned to a different fulfillment location.

- 11.2 Italian law applies, excluding the application of the standards of the United Nations Convention on Contracts for the International Sale of Goods.
- 11.3 The competent court for arbitrating disputes arising from the contractual relationship or any other commercial relationship between the Seller and the Client is the **(Court of/Tribunal Legal Seat/Establishment of Seller)**. Furthermore, the Seller reserves the authority of having its own rights prevail at any other competent court where the Client has registered offices. The Seller also has the right to have any or all disputes arising from this contract or in relation to it to be dealt with definitively in accordance with the Arbitration Regulation of the International Chamber of Commerce (ICC), by one or more arbitrators appointed in accordance with that Regulation. In the event that the Client wishes to bring a legal action against the Seller, the Seller, at the request of the Client, for the purposes of exercising the aforementioned rights of choice for a given dispute, undertakes to communicate that choice to the Client within a week of its request.
- 11.4 The contracts concluded in accordance with these general terms and conditions of delivery are binding for the Client, even in the event that a single clause were to become nullified. Any nullifications of any the contract clauses will not affect the validity of the other clauses.

HENNECKE-OMS S.p.A.

Via Sabbionetta 4

20843 Verano Brianza (MB), Italy

Telephone: +39 0362 983-1

Fax: +39 0362 983-217

Signed for agreement

The buyer (stamp/date and signature)

Within the meaning of Sections 1341 and 1342 of the Civil Code, the Client declares to accept and specifically approve the following clauses: 1. (General terms, scope of validity and especially para 1.3); 2. (Proposal and conclusion of the contract, and in particular paras 2.1 and 2.2); 3. (Prices and payment, and in particular paras 3.1; 3.2; 3.3; 3.4; 3.5; 3.6); 4. (Terms of delivery and delay and in particular paras 4.1; 4.2; 4.3; 4.4; 4.5; 4.6; 4.7; 4.8; 4.9); 6. (Reservation of title and in particular paras 6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.7; 6.8); 7. Liability and in particular paras 7.1; 7.2; 7.4); 8. (Guarantee for defects of the goods and in particular paras 8.2; 8.3; 8.4; 8.5; 8.6; 8.7; 8.8; 8.9); 9. (Technical information and advice); 10. (Use of the software); 11. (Applicable law, competent court, location of fulfillment).

Signed for agreement

The buyer (stamp/date and signature)