

REGGIANA RIDUTTORI S.r.l. –GENERAL CONDITIONS OF SALE

1. Definitions

1.1 Under the terms of these general conditions of sale (hereinafter "Conditions of Sale"), the following definitions are given:

- **Reggiana Riduttori:** Reggiana Riduttori S.r.l., via Martiri di Marzabotto n. 7, San Polo D'Enza (RE);
- **Customer:** the purchaser of the Reggiana Riduttori Products;
- **Products:** the goods produced and assembled by Reggiana Riduttori;
- **Order(s):** every proposal for purchase of the Products forwarded by Customers to Reggiana Riduttori by fax or e-mail;
- **Order Confirmation:** every written confirmation that Reggiana Riduttori sends to the Customer in acceptance of the Order;
- **Sale(s):** every sales contract concluded between Reggiana Riduttori and the Customer following receipt by the Customer of the written acceptance of the Order by

Reggiana Riduttori.

2. Subject

2.1 All the Sales are governed exclusively by these Conditions of Sale. Any other terms and/or conditions other than those indicated in the Conditions of Sale are deemed to be valid only where accepted in writing by Reggiana Riduttori.

2.2 Reggiana Riduttori reserves the right to alter the Conditions of Sale, it being understood that such modifications shall apply to all Sales concluded from the 30th day following the notification to the Customer of the new conditions.

3. Orders and Conclusion of the Contract

3.1 The Customer shall send Reggiana Riduttori specific Orders containing the description of the Products, the required quantity, the price and the requested delivery terms.

3.2 The Sale shall be deemed to be concluded: (i) when the Customer receives from Reggiana Riduttori the Order Confirmation conforming to the terms and conditions of the Order, (ii) or, if the Customer receives from Reggiana Riduttori an Order Confirmation with terms that differ from those laid down in the Order, 2 working days following the date of receipt of the confirmation containing the different terms without Reggiana Riduttori receiving any written claim by the Customer during that period.

3.3 Together with the Order Confirmation Reggiana Riduttori will send the Customer a copy of these Conditions of Sale, which are deemed to be integrally accepted by the Customer if within 2 days of receipt Reggiana Riduttori receives no written communication to the contrary.

3.4 Orders that have been duly accepted by Reggiana Riduttori cannot be cancelled by the Customer without the written consent of Reggiana Riduttori. In the event that Reggiana Riduttori accepts the cancellation of the Order, Reggiana Riduttori reserves the right to invoice the Customer the costs and any expenses incurred as a result of the cancellation.

3.5 Orders received through agents, collaborators or business agents or similar shall always be deemed to be "on approval of Reggiana Riduttori".

4. Modifications to Products

4.1 Reggiana Riduttori reserves the right to modify the Products at any time, provided that such modifications do not prejudice the initial functions or use.

5. Prices and Payments

5.1 Unless otherwise agreed, the prices applied are those of the price list in force at the date of Order Confirmation.

5.2 Unless otherwise agreed, the prices are deemed to be ex-works, exclusive of VAT and any discounts. The prices do not include the costs of packaging, shipment and transportation from the Reggiana Riduttori premises to those of the Customer. These costs shall be borne separately by the Customer.

5.3 Without notice and with immediate effect, Reggiana Riduttori reserves the right to alter the prices accepted in the event of a variation in construction costs or raw materials that are beyond the control of the company. In all other cases, changes in prices shall be notified to the Customer and shall take effect for all Orders received and/or confirmed by Reggiana Riduttori for which the delivery date falls more than three months from the date in with the variations were notified to the Customer.

5.4 Unless otherwise agreed in writing between the parties, Reggiana Riduttori, at its sole discretion, shall issue invoices at the time of Order acceptance or Product delivery.

5.5 Payments shall be deemed to be made only when made at the conditions and in the terms indicated in the Order Confirmation and the invoice.

5.6 In the event of non-payment within the agreed deadline, Reggiana Riduttori reserves the right to apply interest charges as laid down in Italian Legislative Decree (D.lgs.) 231/02.

5.7 In the event of instalments, if even one instalment of the payment is not paid at the due time, Reggiana Riduttori may immediately demand payment of the whole price (independently of the conditions laid down in art. 1186 of the Italian Civil Code) and may consider the contract to be terminated due to breach of contract; in such case, Reggiana Riduttori may withhold any amounts received for compensation for damages and may demand the return of any goods delivered at the expense of the Customer.

5.8 Under no circumstances may payments be suspended or delayed.

5.9 The ownership of the Products will remain with Reggiana Riduttori until the full payment of the price. The Customer shall perform all local statutory requirements in order to ensure that the ownership reserve be valid and executable before third parties, also through the registration with specific registers, where so required locally.

5.10 The payment of the price may be accepted by Reggiana Riduttori by assignment of credit with recourse, without novation and without prejudice to the reserved ownership.

6. Delivery terms

6.1 Unless otherwise agreed, the Products are sold:

- ex-factory (EXW) at the premises of Reggiana Riduttori, if the final destination is in Italy;
- free carrier (FCA) San Polo d'Enza, if the final destination is a foreign country.

Goods travel at the expense and risk of the Customer.

If required, Reggiana Riduttori will manage the transportation of the Products using the most appropriate means where not specified by the Customer; however, also in this case the costs and risks shall be borne by the Customer.

6.2 The delivery terms laid down in the Order Confirmation are indicative and not essential pursuant to art. 1457 of the Italian Civil Code and, in any case, do not include transportation times. In any case, Reggiana Riduttori shall make all reasonable efforts to comply with such terms.

6.3 Without prejudice to the provisions of art.6.2, Reggiana Riduttori shall not be liable for any delays or non-deliveries that are due to circumstances beyond its control, which may include but are not limited to:

- i) delays or imprecisions by the Customer in providing Reggiana Riduttori with the data required for the supply;
- ii) difficulties in obtaining supplies of raw materials;
- iii) problems affecting production or order planning;
- iv) force majeure, including but not limited to strikes, power cuts, natural disasters, measures imposed by public authorities, transportation problems, disorders, terrorist attacks;
- v) delays by the shipping company.

In the event of the occurrence of any of the aforementioned circumstances, the Customer shall not be permitted to apply any contractual penalties or other rights of default.

6.4 The delivery of the Products may be suspended should Reggiana Riduttori consider that the equity situation of the Customer and/or the amount of the debt are such that they constitute an evident hazard for the payment of the price.

6.5. The Customer in any case accepts partial deliveries.

7. Non conformities

7.1 Any difference in the Products delivered to the Customer in terms of the type and quantity indicated in the Order must be notified to Reggiana Riduttori in writing within 5 days of the date of delivery. Should no reports be received within such term, the Products delivered shall be deemed to comply with the Customer Order.

8. Warranty and repair of the Products

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Società soggetta all'attività di direzione e coordinamento di INTERPUMP GROUP S.P.A.

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IVA IT00634700355 | C.F. e Iscr. Registro Imprese di RE n. 00634700355 | Capitale sociale € 6.000.000 i.v. | R.E.A. di RE n. 144340 | N. meccanografico RE 009121



8.1 Unless otherwise agreed in writing, Reggiana Riduttori guarantees that the Products are free from defects affecting the materials, processing or assembly, for a period of 24 months from the date of delivery to the Customer. In the case of the sale of single components of the Products destined for assembly by the Customer, the warranty is extended exclusively to those components and not also to the products that derive from such assembly.

8.2 The warranty does not cover:

- i) Products which have reached the end of their life cycle;
- ii) parts of the Products which are subject to normal wear and deterioration following the use of the Product;
- iii) damage to the Product deriving from (a) accidents, abuse, improper use, natural or personal disasters, (b) disassembly, (c) non-compliance with the installation instructions laid down in the specific use and maintenance manual supplied with the Product, (d) negligence and lack of appropriate or reasonable maintenance by the Customer, (e) corrosion by aggressive fluids or frost, (f) unsuitable repairs or improperly installed components, (g) use of non-genuine spare parts or accessories that do not comply with the specifications issued by Reggiana Riduttori, (h) use of components not supplied or manufactured by Reggiana Riduttori;
- iv) any visual imperfections in the surfaces/finishings/painting or visible Product defects that were evident or present at the time of delivery;
- vi) fluid/lubricant leakage due to the normal wear of the seal rings;
- vii) Products that are modified, repaired or dismantled even partially by staff that are not authorised by Reggiana Riduttori;
- viii) the applications or accessories or equipment in which the Products are assembled, used or connected;
- ix) parts of the Products that are not manufactured by Reggiana Riduttori.

8.3 The Customer shall notify Reggiana Riduttori or an authorised dealer in writing of the presence of any faults or defects within 8 (eight) days following their discovery.

On condition that the Customer claim is covered by the warranty and notified in the terms indicated in this article, Reggiana Riduttori undertakes, at its sole discretion, to replace or repair each Product or its parts which present faults or defects or to reimburse the relative amount in the invoice, following authorisation from the Customer pursuant to art. 8.9.

8.4 The return of any Product must be agreed in advance with Reggiana Riduttori through the issue of an authorisation number – RMA (Return Material Authorisation) – which must be clearly marked on the outside of the Product packaging. The procedure laid down in this art. 8.4 and art. 8.9 below shall be followed in the event of return of Products for any reason whatsoever, also after the warranty period.

The issue of an authorisation number does not in any case constitute the acceptance of the claim, which shall in any case be subject to assessment by authorised Reggiana Riduttori staff. The Products shipped must be delivered to the headquarters of Reggiana Riduttori, or any other place which may be indicated on a case-by-case basis, at the expense of the Customer; shipments made at the consignee's expense will not be accepted. The Product must be packaged in a safe manner to avoid any damage during shipment and must be accompanied by a letter which specifies and includes the following: (a) serial number or code of the Product and/or component, (b) detailed description of the problem, including a chronological description of the interventions, (c) layout of the system and construction and/or size details of the related components, (d) indications of the work type and cycle, (e) estimated hours of use of the Product, (f) name, address of the sender and written authorisation to resend the repaired or replaced product.

8.5 In any case, the Customer shall not have the right to the application of the warranty by Reggiana Riduttori if the price of the Products has not been paid according to the agreed terms and conditions, even if such payment refers to Products other than those for which the Customer is claiming against the warranty.

8.6 The liability of Reggiana Riduttori is strictly limited to the aforementioned obligations and under no circumstances will Reggiana Riduttori be liable to the Customer for indirect damage or any consequences of any nature whatsoever, including but not limited to losses deriving from the Customer's work stoppages or lack of income.

8.7 This warranty is valid only for the original purchaser of the Product and such rights shall not be transferred to third parties, unless otherwise agreed with Reggiana Riduttori.

8.8 The aforementioned warranty is the sole and exclusive reference for the Customer concerning the Products, and therefore all other forms of guarantee of any nature whatsoever, whether explicit or implicit, deriving from commercial customs, laws or other shall be excluded.

8.9 The Products returned to Reggiana Riduttori by Customers, branches or dealers - according to the manner laid down in art. 8.4 – for repairs or assessments shall be subject to the appropriate checks in order to ascertain the steps to be taken, including the preparation of any relative cost estimates. The results of such checks, together with the cost estimate, will be notified in writing, by fax or e-mail, to the Customer, branch or dealer, in order to obtain an authorisation to proceed; however, if within 30 (thirty) days following the sending of the notice Reggiana Riduttori receives no written answer from the recipient, the Products - in the same condition in which they were found when they were returned - shall be resent freight collect to the Customer, branch or dealer.

9. Patents

9.1 Reggiana Riduttori shall not be liable for any costs or damages suffered by the Customer as a result of legal actions or proceedings taken towards the Customer based on claims due to the fact that (i) the use of a product, or part thereof, supplied at these conditions, in combination with products not supplied by Reggiana Riduttori or (ii) a manufacturing process or other process in which a product or part thereof was used, supplied at these conditions, constitute a direct or indirect breach of any patent or trade mark.

9.2 The Customer shall hold Reggiana Riduttori harmless of all expenses or losses caused by the breach of registered trade marks or patents deriving from the fact that Reggiana Riduttori has adapted its design according to Customer specifications or instructions.

10. Express termination clause

10.1 Reggiana Riduttori shall have the faculty, pursuant to any by effect of art. 1456 of the Italian Civil Code, at any time by written notice to the Customer, to terminate any individual Sale in the case of breach of the obligations laid down in art. 5 (Prices and Payments).

11. Jurisdiction

11.1 This contract is drawn up under Italian law; any disputes shall be subject to Italian law also in derogation of any international conventions.

11.2 Any disputes arising from the execution and interpretation of these Conditions of Sale shall be referred exclusively to the courts of Reggio Emilia.

12. Text and form

12.1 The official language is Italian; in the event of opposing interpretation, reference shall be made to the text in the Italian language.

12.2 The Customer has provided its tax and personal information having received full information on the nature of its processing, and authorises the processing of its data under the terms of Italian Legislative Decree (D.lgs.) 196/2003.

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