
Sales Terms and Conditions

(Rif.: 01/2016)

1. General provisions

- 1.1 These general conditions of sale apply to all our supplies and all of our services.
The customer expressly agrees to all the terms and conditions outlined in the following document, which will be attached to all offers and will form an integral part of the offer and of any contract (hereinafter referred to as "order confirmation").
Any exception to these general conditions of sale will be valid only if approved in advance in writing.
Any verbal agreement making an exception to any of the provisions thereof be applied herein shall be legally binding for the Parties only if expressly approved in writing.
- 1.2 The customer agrees to comply with all laws and national, U.S. and United Nations regulations applicable regarding the international sanctions, embargo and the export control and not to export or re-export (directly or indirectly) products, technical data or information received by CBI Engineering & Service S.r.l. in any countries of final destination, person or entity in violation of such laws and regulations.
The customer is committed not to accept, re-export or transfer products, technology and information associated by (I) any Country or foreign country to which Italy, Europe, US or United Nations has applied an embargo, (II) to anyone who is included in any government list of persons or entities designed as being especially restriction, (III) to anyone involved in the production and proliferation of weapons, weapons of mass destruction or other military applications in violation of the national, EU, US and UN laws or regulations applicable, (IV) or without the necessary permits, even in the case of products and technologies to "Dual Use".
In particular, the customer will not engage CBI Engineering & Service S.r.l. in any commercial or financial transaction whatsoever (i.e., the negotiation or acceptance of any commercial order, the execution and implementation of any prior, existing, or new order or agreement concerning the supply of any product or the provision or receipt of any services, the issuing of any invoices, or the making or receiving of any payment in

respect thereof) involving, directly or indirectly, the following sanctioned countries and/or sanctioned parties: Cuba, Iran Myanmar, Crimea, North Korea, Syria, Sudan. Countries subject to sanctions and restrictions can be changed during the Order. Furthermore, the goods will not be sold, exported, transported, transferred to any individual or Entity listed in European, US and UN regulations and resolutions.

- 1.3 Photos, weights, measurements and descriptions in our catalogues and sales brochures are a mere indication and not legally binding. Only the technical documentation attached to any order confirmation shall be considered contractually binding.

2. Prices

- 2.1. The customer agrees to pay to CBI Engineering & Service S.r.l. all prices indicated in the contract for the products and services specified in the contract.
- 2.2. Prices are always VAT excluded and with delivery Ex Works based. The prices refer to the supplied products as described in the order confirmation. In case of an excessive burden in price increase caused by extraordinary and unexpected events (such as including, but not limited to, radical changes in exchange rates, raw material costs increases of more than 10%, or other causes that dramatically increased production costs compared to the situation existing at the time of signing the contract) the Parties, on written request of CBI Engineering & Service S.r.l., hereby agree to renegotiate the price of the supplied products. In absence of a new agreement between the Parties within 15 (fifteen) calendar days after receipt by the customer of this request, CBI Engineering & Service S.r.l. shall be entitled to apply for termination of the contract.

3. Payments

- 3.1. The payment of our invoices must be made within the time and terms set out in the contract.
- 3.2. Any delay in payment of invoices, even a partial one, will cause arrears interests as per Legislative Decree no. 231/2002 and subsequent amendments.
- 3.3. Except as provided for in Art. 3.2, in the event that the customer is in arrears with payments for previous deliveries, CBI Engineering & Service S.r.l. reserves the right to suspend deliveries until full payment of the accrued credit.

3.4. Employees, agents and brokers of CBI Engineering & Service S.r.l. are not allowed to receive payments unless specifically authorised.

4. Delivery Terms

4.1. The terms of delivery shall be regarded as an indication alone. If CBI Engineering & Service S.r.l. estimates not to be able to deliver the goods on the date agreed for delivery it will promptly notify the customer about that in writing and shall, where possible, also indicate the expected delivery date.

4.2. Except in the case of willful misconduct or serious negligence attributable to CBI Engineering & Service S.r.l. no damages will be paid for failure or delay in delivery.

The products supplied are considered delivered at the Plant of CBI Engineering & Service S.r.l. Viale delle Industrie 22 In Cambiago (MI), or in the plant of Monza (MB) or Gissi (CH) according to the place stated in the contract (see the article 5.4).

4.3. If a compensation for damages for late delivery is agreed its amount shall not exceed 0.5% per week up to a maximum of 5% of the value of the products whose delivery was delayed. Such compensation overrides and replaces any remedies provided by the laws in force.

4.4. In the event that the delay in the withdrawal of products under the supply contract is due to reasons that can be ascribed to the customer CBI Engineering & Service S.r.l. has the right to detain the goods at risk and expense of the customer.

5. Transfer of title and risk

5.1. The change of ownership shall occur only upon full payment of the amount stated in the contract, plus any interest, fees or reimbursements due from the customer to CBI Engineering & Service S.r.l. and relating to the subject of the contract. CBI Engineering & Service S.r.l. shall retain ownership of products until payment has been completed; said provision applies to all goods to be delivered and it extends also to third parties and to such amounts permitted by law of the country where the products are located, that governs this clause.

The customer agreed to inform any third parties that purchase the products of the above retention of title in favour of CBI Engineering & Service S.r.l.

5.2. After the delivery and until the transfer of ownership from CBI Engineering & Service S.r.l. to the customer, the customer is responsible for ensuring the products to be supplied against theft, fire, flood or similar events at his own expense, and to provide appropriate proof upon request of CBI Engineering & Service S.r.l.

5.3. After the delivery and until the transfer of ownership from CBI Engineering & Service S.r.l. to the customer, the customer also agrees to maintain products with the appropriate care and to pay for any maintenance as may be necessary for optimal preservation of products.

5.4. CBI Engineering & Service S.r.l. shall deliver the products EX Works (Incoterms 2010) at our Plant in Viale delle Industrie 22 in Cambiago (MI) or in the plant of Monza (MB) or Gissi (CH) according to the place stated in the contract. The transfer of risk for damage or loss incurred to the products covered by the contract is carried out by CBI Engineering & Service S.r.l. to the customer upon delivery of the goods to the carrier or other person responsible for transport and delivery in based of the Incoterms 2010 insert in the contract.

6. Warranties

6.1. The warranty period for the products to be supplied will be for 24 months, reduced to 18 months in the case of electric motors, electro-pneumatic actuators and instrumentation. The changes to the warranty period above must be approved in writing by CBI Engineering & Service S.r.l. beforehand.

6.2. The warranty will come into effect when the products are handed over to the carrier.

6.3. The warranty provided by CBI Engineering & Service S.r.l. covers: manufacturing defects, material defects or products that do not conform to the technical standards specified in the contract; the warranty does not cover defects resulting from wear and tear, erosion, twisting, corrosion, abrasions and freezing.

6.4. In addition to the information in that article 6.3, the warranty does not cover damages, defects or failures due to incorrect actions by the customer, inadequate packaging made by the customer, incorrect installation and assembly by the customer, erroneous maintenance works performed by the customer, repairs and work carried out by anyone other than CBI Engineering & Service S.r.l. without prior written consent from our company. Any work carried out by unauthorized personnel causes automatic cancellation of the warranty on the product or system.

6.5. Should any anomaly in packaging, quantity or appearance of the product (apparent defects) be found it must be reported to CBI Engineering & Service S.r.l. by registered mail with return receipt within 8 days from the date of receipt of the products or said reporting shall be regarded as null. Should a defect or functional abnormality that can not be usually found by a careful inspection upon receipt (hidden defect) be found it must be reported to CBI Engineering & Service S.r.l. by registered mail with return receipt within 8 days from the date of receipt of the products or said reporting shall be regarded as null. Any defects must be reported until one

- year. The registered delivery letter must contain the reference of the order confirmation, the type of product and the exact nature of the defect, failure or malfunction. Any claims and/or objections give no right to suspend or delay payments of the goods provided in the contested supply batch or in other batches.
- 6.6 The customer undertakes to provide CBI Engineering & Service S.r.l. with a reasonable period of time to carry out the warranty repairs. This period shall not be less than 5 working days.
- 6.7 Warranty repairs do not include the removal and/or replacement of the product, transport costs, travel expenses, food and lodging of any specialised CBI Engineering & Service S.r.l. employed if so required by the customer/customer (labour costs for said staff shall be borne by CBI Engineering & Service S.r.l.). The customer/customer also agrees to allow unimpeded access on-site and freedom of movement for the CBI Engineering & Service S.r.l. staff or the staff authorised to operate on CBI Engineering & Service S.r.l.'s behalf.
- 6.8 During the warranty repairs CBI Engineering & Service S.r.l. reserves the right to decide whether repairing or replacing the product. These are the only remedies offered by CBI Engineering & Service S.r.l. and they override and replace any responsibility for defects and/or any other contract or non-contract liability related to the sale of products. In the event that, following a call for a warranty repair, CBI Engineering & Service S.r.l. should find that the notification of the defect was unjustified and, therefore, the conditions for the warranty repair call had not been met the customer will be charged for all costs incurred by our Company.
- 6.9 In the event that, notwithstanding the warranty work, CBI Engineering & Service S.r.l. fails to solve the defects of the product (as the defects is so serious as to make the product unfit for its intended use), the customer shall have the right to ask for termination of the contract or for a reduction to the purchase price.
- 6.10 The warranty is limited to the products supplied by CBI Engineering & Service S.r.l. and, consequently, our company can not be held responsible for the non-proper functioning of any system in which our product will be built (unless the failure of the system is a direct cause of the defect of the product supplied by CBI Engineering & Service S.r.l., in which case the responsibility of CBI Engineering & Service S.r.l. will be limited to the repair or replacement of the product supplied).
- 6.11 Once the warranty period has expired CBI Engineering & Service S.r.l. will not be bound to perform any repair work or other request.
- 6.12 Warranty repairs do not cause the warranty period listed in Article 6.1 to be extended or suspended.

- 6.13 The warranty shall automatically terminate in the event of non-compliance with contractual payment terms.
- 6.14 For anything not specifically mentioned in the above articles, please refer at the our "Warranty Conditions". In the event of a disagreement between the information in the "Warranty Conditions" and the "Conditions of Sale" (i.e. this document) the latter shall prevail.

7. Limitation of liabilities and assessment and liquidation of damages

- 7.1 The total aggregate liability for direct damages shall in no event exceed 100% of the contract value. The liquidation of assessed damages shall be the sole and exclusive remedy provided by CBI Engineering & Service S.r.l. to its customer and to all third parties and it shall override and replace any other contractual or non-contractual remedy provided by law.

CBI Engineering & Service S.r.l. and its customer agreed to exclude the liability of CBI Engineering & Service S.r.l. for any contractual and non-contractual liability arising by indirect and consequential damages, included any losses and costs towards the End user and/or any third party.

8. Documents

- 8.1 All products are provided with technical specifications and standard documents.
- 8.2 Should the customer need any other documents, these documents must be specifically requested in the offer stage and referred to in the order confirmation; CBI Engineering & Service S.r.l. shall be entitled to approve or reject the request for additional documents subject to verifying the request's feasibility.

9. Intellectual Property Rights

- 9.1 All documents delivered by CBI Engineering & Service S.r.l. to the customer (or by the supplier to the customer) will always remain the sole property of CBI Engineering & Service S.r.l., even if the customer has contributed to the costs of their implementation or has provided any materials, data or information for the Supply.
- 9.2 In no case shall the provisions or the prescriptions set out in the agreements between the Parties be construed as transferring or granting any right to intellectual property (including, without limitation, copyright, trademark, patents and know how).
- 9.3 The documents provided may be used only by the customer (or by the site Manager) for the construction, operation or maintenance of the system (except for spare parts).

9.4 The documents may not be reproduced, transmitted or communicated to any third party without the prior written consent of CBI Engineering & Service S.r.l.

10. Shipment

10.1 Shipping mode provided by CBI Engineering & Service S.r.l. for the shipment of products is EX Works as Incoterms 2010 (see article 5.4).

10.2 Unless otherwise agreed between the parties, CBI Engineering & Service S.r.l. reserves the right to choose and implement the package considered most appropriate for the transportation of the products.

11. Modifications

11.1 The contract shall specify for each product to be delivered the type, make, model, technical specifications, quantity, price of each product, terms of payment, date and place of delivery good.

11.2 Any request of modifications of the contract provisions relating to the goods (in terms of quantity or performance), packaging, shipping, place and date of delivery, etc. must be submitted in advance to our Company and approved in writing.

11.3 Any change or modifications requested by the customer to the products originally specified in the contract which our Company regards as achievable shall result in the revision of the delivery times.

11.4 All costs related to consequent to the changes requested by the customer shall be charged only to the customer.

12. Force Majeure

12.1 Force majeure includes extraordinary and exceptional events beyond the control of the Parties, which the party cannot foresee even with due diligence and that prevent the Parties from fulfilling their obligations under the Contract. The causes of force majeure include, but are not limited to, floods, earthquakes, wars and so on.

12.2 In all cases of force majeure, the Party shall immediately inform the counterparty (in any case within 5 days from the onset of the cause of force majeure).

12.3 After 60 days from the notification referred to above (paragraph 12.2) the Parties may renegotiate the provisions and, if no agreement is reached within the next 30 days, they shall terminate the contract.

12.4 In the event of termination of the agreement, each Party shall be entitled to retain whatever the party has obtained by virtue of the contract provisions before the termination, as long as it has been paid for.

13. Assignment

13.1 The customer shall never transfer the contract with CBI Engineering & Service S.r.l. (whole or in part) without the prior written permission of our Company. Should the contract ever be assigned, the assignee will be bound by the terms and conditions contained herein.

14. Governing Law

14.1 All contracts entered into by CBI Engineering & Service S.r.l., even those entered with foreign citizens or companies or pertaining to supplies to be delivered abroad shall be governed by and construed in accordance with the Italian law, unless otherwise provided at the section 5.1

15. Competent Court

15.1 For any controversy which might arise, the Milan court shall be the one having exclusive jurisdiction and no other court shall have jurisdiction. However, notwithstanding the foregoing, CBI Engineering & Service S.r.l. reserves the right to refer the dispute to the court having jurisdiction at the customer's headquarters. Proceedings shall be conducted in Italian language.

The customer, signing for approval this document declares to know and accept the Sales Term and Conditions of CBI Engineering & Service S.r.l.

Signature of customer

Pursuant to and in compliance with Arts. 1341 and 1342 of the Civil Code, the customer hereby specifically approves in writing the following clauses contained in the General Conditions of Sale:

- Clause 1: General Provision
- Clause 2: Prices
- Clause 3: Payments
- Clause 4: Delivery Terms
- Clause 5: Transfer of title and risk
- Clause 6: Warranties
- Clause 7: Limitation of liabilities and assessment and liquidation of damages
- Clause 9: intellectual property rights
- Clause 11: Modifications
- Clause 13: Assignment
- Clause 14: Governing Law
- Clause 15: Competent Court

Signature of custom