

GENERAL SALES CONDITIONS

Our supplies will be exclusively regulated by the following General Sales Conditions. Any clause or condition which is established by the Customer will be void and ineffective with respect to our company if in conflict with the conditions listed below.

1) SUBJECT OF THE SUPPLY.

The Supply will exclusively concern that which is specified at the time of confirmation.

2) OFFERS AND ORDERS.

Our offers are valid for 30 days unless specified otherwise. Orders resulting from an offer must be sent to PAVARINI COMPONENTS S.r.l. within the deadlines specified on the offer itself and, if not specified, within 30 days from the date of the offer itself.

PAVARINI COMPONENTS S.r.l. reserves the right to not consider the offer valid once the validity deadline has expired.

All orders must specify—for each ordered type—a quantity and the exact name of PAVARINI COMPONENTS S.r.l.

PAVARINI COMPONENTS S.r.l. reserves the right to potentially supply its products in a manner that differs from that specified in its catalogues, price listings, etc....

The orders are always final and binding for the buyer as well as for PAVARINI COMPONENTS S.r.l. once the order confirmation is sent—with the exceptions pursuant to Articles 3, 5 and 6.

PAVARINI COMPONENTS S.r.l. does not accept orders that include penalties.

3) PRICES.

Prices refer to those effective at the time of the offer in the case that the deadlines have not yet expired or at the time of acceptance of the order for products with standard execution. With regards to special execution typologies or products which are not serially produced, prices will be established on a case by case basis for each individual order; in these cases, PAVARINI COMPONENTS S.r.l. reserves the right—in relation to its supply and production needs—to supply up to 15% more or less of the ordered quantity.

All prices are considered ex-factory in relation to the production facilities of PAVARINI COMPONENTS S.r.l. and excluding packaging, taxes and tax charges.

If—during the course of the supply—increases in materials, labor or other cost elements occurred, PAVARINI COMPONENTS S.r.l. retains the right to adjust its prices as of the dates in which these prices increase occur.

4) DELIVERY.

A. The delivery of goods is stipulated to be at the factory, unless otherwise agreed.

B. Delivery is considered implemented when the goods are made available to the customer or in the case of consignment to the carrier or shipping agent, ex-factory.

C. If the customer has not provided instructions relative to the delivery of the goods or has not promptly provided for their collection or in the case of impossibility in implementing the delivery PAVARINI COMPONENTS S.r.l. may deposit the goods within the Factory Warehouses in both the Sales Centers or nearby locations; this will be implemented at the expense of the customer and without any responsibility for the preservation of the goods.

5) DELIVERY DEADLINES.

Delivery deadlines are effective as of the date of approval of the contract, given that the buyer is not subject to insolvency proceedings; deadlines are calculated in working days and may be legally extended in the case of events that are independent of PAVARINI COMPONENTS S.r.l.

It remains agreed that the delivery deadlines which are, in any case, specified by PAVARINI COMPONENTS S.r.l. are always and only approximate although every attempt will be made to comply with the communicated deadlines; PAVARINI COMPONENTS S.r.l. is not liable for any type of damages deriving from delivery delays.

PAVARINI COMPONENTS S.r.l. retains the right—and given all other rights—to extend the delivery deadline as well as cancel the contract without being required to pay any form of compensation in the following cases:

- A) uncontrollable circumstances as well as all causes which may delay the manufacturing process, including: work interruptions, trade union actions, delays due to suppliers, suspension of transportation, deficiencies in electrical supply, fires or accidents, etc....
- B) Insufficient, inaccurate or delayed communication—on the part of the buyer—of specifications which are required to implement the order.
- C) Difficulties in acquiring raw materials on the part of PAVARINI COMPONENTS S.r.l. and its suppliers.
- D) Potential modifications accepted by PAVARINI COMPONENTS S.r.l. after the receipt of the order.
- E) Default with respect to payment conditions on the part of the buyer.
- F) Productions requirements of PAVARINI COMPONENTS S.r.l.

6) DELIVERIES.

Deliveries, which are implemented ex-factory—are dispatched at the customer's risk. In this case, potential complaints for tampering or shortages in materials must always be submitted by the recipient to the carrier or shipping agent. PAVARINI COMPONENTS S.r.l. will take into consideration any complaints/claims regarding differences in quantity and mix-ups among different types, provided that they are submitted in writing within eight days from the date of receipt of the goods and accompanied, in the first case, by a specification of the gross weight of the package measured at the time of its arrival—and, in the second case, also by the control labels contained within the packages.

If no instructions are provided from the buyer, PAVARINI COMPONENTS S.r.l. will not retain any liability for neither the choice of transportation means nor for the rates that are applied by carriers and shipping agents.

Unless stipulated otherwise, all shipping costs from PAVARINI COMPONENTS S.r.l. registered office are charged to the buyer. If shipping costs are agreed to be only partially charged to PAVARINI COMPONENTS S.r.l., the latter may utilize the cheapest transportation means and, if a more expensive means is prescribed, the additional cost will exclusively be charged to the buyer.

PAVARINI COMPONENTS S.r.l. also reserves the right to deliver small parcels by means of postal packages which are always charges to the recipient, even if other transportation means are requested. Missing pick-up of goods will cause the cancelation of the order and a stock keeping cost at customer charge, 20% of the amount for standard items (those in the catalogues) and 50% for special items.

7) PACKAGING.

Supplied separately; returns not accepted.

8) PAYMENTS.

Payments must be disbursed to our registered office unless stipulated otherwise, in compliance with the specifications of the order confirmation under the payment section.

Currently effective bank rates are applicable with full rights on delayed payments without previous formal notice; this interest will be noted in the invoices on a case by case basis.

In the case of a delayed payment or default on payment on the part of the buyer, we may suspend the manufacturing and delivery of goods that are still subject to orders or cancel the residual part of orders, notifying the buyer who will not retain any right to compensation or indemnities of any type while we retain all our other rights.

Any dispute regarding products that are being manufactured or which are ready for delivery or have been already delivered or received by the buyer does not free the latter from the obligation to collect the full ordered amount and, in any case, to disburse the payment on the established due date.

Concerning the confirmed purchase orders with payment in advance, the bank transfer is specifically required within 10 working days since the proforma invoice is issued.

9) SPECIFICATIONS AND DESIGN.

Full efforts will be made to ensure that the descriptions, designs and other information contained within correspondence, catalogues, etc.... are accurate but no responsibility will be assumed for any inaccuracies that may be found in these documents.

10) PARTIAL OR TOTAL ORDER CANCELLATIONS.

PAVARINI COMPONENTS cannot follow up on requests for cancellation of standard parts (present in the catalogue) by the Customer, if not sent at least 10 working days before the confirmed shipping date.

In case of special items (on drawings), all cancellation requests can only be accepted with the prior authorization of the PAVARINI COMPONENTS.

In both cases, the requests must be provided only in writing and be considered accepted only on the basis of our written confirmation.

11) WARRANTY.

The warranty of PAVARINI COMPONENTS S.r.l. for defects and faults of any nature and entity has a duration of one year from the date of delivery of the goods and is exclusively limited to the repair or replacement—free of charge of parts which are acknowledged as defective by PAVARINI COMPONENTS S.r.l. due to defects in materials or manufacturing. The recipient of the goods must report the defects and faults within eight days from the date of receipt of the goods under penalty of voidance of the guarantee.

The disputed goods must be returned, free from any accessory charges, to the registered offices of PAVARINI COMPONENTS in conjunction with the delivery note specifying the quality and quantity of the goods themselves as well as the details of the invoice and the reasons for the return. The guarantee of PAVARINI COMPONENTS S.r.l. ceases to be effective if the returned pieces were tampered with or repaired or if the components were not utilized in compliance with the specifications stated in the technical catalogue of PAVARINI COMPONENTS S.r.l. The complaint may never result in the cancellation and/or reduction of the orders of the customer nor may result in compensation or indemnities of any type for PAVARINI COMPONENTS S.r.l.

PAVARINI COMPONENTS S.r.l. is not liable for any damages derived from the accidents of any nature, which occur during the usage of its products, regardless of whether these products were acknowledged as defective or not by PAVARINI COMPONENTS S.r.l. after their application was designed.

12) LIMITATIONS.

The Buyer commits to not utilizing the acquired goods for purposes other than those for which they were designed in addition to not modifying their construction and functioning. A buyer who fails to comply with the above will forfeit the right to the warranty pursuant to Article 10.

13) LEGAL DOMICILE.

The legal domicile of PAVARINI COMPONENTS S.r.l. is elected to be the registered office of Pegognaga (Mantua - Italy).

14) COURT WITH JURISDICTION

Any dispute even if not relative to this contract or linked to the latter, and even in the case of joinders and our company acts as defendant—the Courts of Mantua retain exclusive jurisdiction. If our company acts as plaintiff in the disputes pursuant to the previous paragraph, jurisdiction may be assigned to both the Courts of Mantua as well as any local territorial courts in which its agents operate or those with jurisdiction in the domicile of the defendant. THIS ORDER IS NOT NEGOTIABLE.

15) DEROGATION OF GENERAL SALES CONDITIONS.

Any derogation or change in these general sales conditions must be explicitly confirmed and accepted in writing by the contracting parties.