

## GENERAL SALES CONDITIONS

### 1. AREA OF APPLICATION OF THE GENERAL SALES CONDITIONS AND DISCIPLINE FOR SALES

Sale contracts between Ritmo s.p.a. – headquartered in Bressio Teolo (PD), via Volta 35/37 Z.I. Selve (hereinafter referred to as “Seller”) and the “Buyer”, shall be governed by these general sale conditions also without the expressed acceptance of the Buyer and where the matter is not regulated by Italian law. If the Buyer is not established in Italy, in addition to these general sale conditions, Convention on Contracts for the International Sale of Goods - “CISG” (Vienna, 1980) shall apply (hereinafter “The Convention”), except that its applying is specifically excluded by the parties and, in any case, where the matter is not regulated by the Convention and these general sale conditions, Italian law shall apply. Any reference to commercial terms is to be understood as a reference to *Incoterms* of International Chamber of Commerce in force at the date of contract’ formation.

### 2. ADDITIONS AND AMENDMENTS

Every addition or amendment agreed upon regarding these general sale conditions must be laid down in writing.

### 3. FORMATION OF SALE CONTRACT

Sale contract is completed when the Buyer receives an order confirmation by the Seller. Purchase order shall specify: object/item; quantity; time delivery; prices and payment terms. Also incomplete purchase orders shall be binding upon the Buyer, if missing informations result from Parties’ correspondence or may be combined with these general sale conditions. Order from purchasing office shall be binding for the Buyer, even without legal representative’s signature. The Seller is entitled to reject purchase orders at his absolute discretion.

### 4. FULFILMENT OF SALE CONTRACT

Unless otherwise agreed in writing by the Parties, small differences or variations in measures, dimensions and quantity than what indicated in the Seller’s order confirmation due to technical reasons or production requirements shall be permitted.

### 5. EXCLUSIONS FROM SALE CONTRACT

Unless otherwise agreed in writing by the Parties, sale contract does not include projects, installation of the goods supplied, specific testing, manuals or training courses, assistance in starting and operating the equipment and all expenses which are not expressly and exceptionally contemplated in the order’s confirmation. If in the order’s confirmation the Seller has expressly accepted to make specific testing, installation or testing in place, all the related expenses shall be borne by the Buyer.

### 6. DELIVERY

Unless otherwise agreed in writing by the Parties, delivery shall be free carrier at Ritmo’s establishment in Bressio Teolo (PD), via Volta 35/37 Z.I. Selve (FCA – Incoterms) on the agreed delivery terms by the Parties. The Buyer assumes all risks at the moment of delivery. The Seller has no responsibility for the damage or the loss of goods after the risk passed to the Buyer and the Buyer shall not be relieved of the obligation to pay the price. However, Ritmo shall be entitled to extend delivery terms by written notice to the Buyer before the expiry of the original deadline of delivery: i) for a maximum of 60 days for goods in the catalogue; ii) for a maximum of 90 days for goods out of the catalogue. In any case, delivery terms are considered lawfully extended as long as necessary: a) whenever the Buyer does not supply within reasonable time the data or material necessary for the supply; b) whenever the Buyer requires alterations while work is being done or even when he delays in answering the request for approval of all applicable drawings or diagrams; c) whenever circumstances beyond the Seller’s control or diligence, make delivery unduly burdensome. In case the Seller does not respect the deadline of delivery, eventually extended, the Buyer that intends to terminate the contract is required to send to the Seller, by priority mail or certified email, an enforcement notice to fulfil within the following 30 days of its receipt, with the warning that in the absence of fulfilment the contract will be considered lawfully terminated. Whenever the Seller does not fulfil within the deadline indicated in the enforcement notice, the contract is lawfully terminated. In case of delay attributable to the Seller, the Buyer is required to notify the default in writing to the Seller and he may claim delay damages, up to a 5% limit of the goods’ price. The Buyer has to make payment within the deadline agreed, even if he does not collect the goods in the place and in time expected.

### 7. DOCUMENTS REGARDING CONTRACT AND ITS FULFILMENT

The information, drawings, illustrations, technical data and descriptions of the functions contained in brochures, catalogues, price lists or in the documents regarding the offers are not to be considered binding unless explicitly defined as such in the written confirmation of the order or in the Seller’s offer. The Seller reserves the right of property and authorship for illustrations, drawings, drafts and all other descriptive or illustrative documents. Upon request, these are to be returned to the Seller. All the documents regarding delivery, packing, identification, consignment, transportation and return are prepared in accordance to his own logistical proceedings.

### 8. PRICES

The goods are sold at the price indicated in the order confirmation. The Seller is entitled to modify the price in the event of unexpected increase in raw material prices, informing the Buyer before delivery. The price’s change is considered accepted, if the Buyer does not cancel his order within 5 days from the notice of the variation. Unless otherwise agreed in writing by the Parties, prices shall be free carrier (FCA) and do not include: packaging costs, taxes, stamp or custom duties, import duties and any other additional expenses are not included in the prices. VAT is payable on all prices at the rate currently in force in each case.

### 9. PAYMENT TERMS

Payment terms are laid down in the Seller’s order confirmation. Payment is considered on time, when money is made available for the Seller within the prescribed period. Whenever it has been agreed advance payment before delivery, it is referred to overall price. In case of delay in payment, the Seller shall be entitled to levy interest on arrears of 7% over and above the current discount rate of the main refinancing instruments of the European Central Bank.

In the event of delay, the Buyer may be requested to pay immediately any other pending sums and the Seller can suspend performance of other contracts with the Buyer, without any possibility of claim. In any case, no right to a discount is acceptable until all due invoices have been paid for.

The Buyer loses the benefit of the postponed payment (“benefit of the term”) also when his solvability is compromised by financial problems such as the submission of bankruptcy procedures or foreclosures; the cessation of the payments; the cancellation of the grants; protests of cheques or bills of exchange. The Buyer may not raise any objections in order to avoid or delay the payment due and he may offset his debits with receivables from the Seller only with his written authorization.

### 10. RETENTION OF TITLE

The Seller reserves the right of property of the goods until full payment has been received.

### 11. CHECKS

On receipt of the goods, the Buyer is required to examine the packaging in order to verify any possible damage or tampering and he had to respect the receiving guidelines on the package: documenting by digital camera any potential concerns at the time of delivery is made; checking the number of cartons, pallets or loose pieces against the carrier’s Delivery Receipt and Seller’s packing list; checking for visible damage such as crushing, puncture holes, open cartons or noticeable re-taping; informing carrier’s driver about the existence of visible damaged material or shortage and writing on all copies of Delivery Receipt (followed by driver’s signature) a detailed description of the exact nature and extent of damage or shortage. With regard to the goods contained in the packaging, irrespective of the condition of the packaging, the Buyer is obliged to check that the goods are intact and complete with all accessories, even in the case of a cumulative shipment.

The Buyer must not sign the Delivery Receipt until all necessary endorsements and the carrier’s signature have been made and if the carrier refuses to sign, the Buyer must note the refusal on the Delivery Receipt and request a copy (if carriers use electronic boards, they are also required to make notations and the Buyer had to sign only if all the information regarding the damage or the loss of goods and/or their accessories has been clearly indicated and he had to receive an electronic copy of the notations before driver leaves); sending to the Seller a copy of the noted Delivery Receipt with all the pictures taken within 72 hours of the receipt of the goods to email address: customer.service@ritmo.it.

The Buyer is required to send the Seller a detailed description, with all the pictures that may help him understand the claim and identify the best and fastest solution. Failure to comply with the “Receiving Guidelines” may result in a denial of Buyer’s claim.

### 12. WARRANTY

The Seller’s warranty is 24 months from the date of delivery at his establishment and it refers to the conformity of the goods with the technical characteristics specified in the contract and the exemption from any defects which makes them unsuitable for use as intended or diminish the appreciably of their value. The Seller

does not guarantee the conformity of the goods to technical characteristics not expressly indicated in the contract or their suitability for different uses by the Buyer, otherwise expressly specified in the contract.

The warranty does not cover defects caused by events subsequent to delivery not attributable to the Seller, including failed checks at the receipt of the good as specified in the art.11; careless storage; natural wear; alteration or repairs carried out by the Buyer or third parties in unsuitable ways or without Seller's approval. The Buyer shall notify Seller, with photographic documentation, about the no conformity of the good within 10 days from the receipt; within the same time line of 10 days, the Buyer shall notify the Seller about the existence of apparent defects, detectable with due diligence. In case of no apparent defects, the Buyer shall notify the Seller within 10 day from the discovery of the defects, enclosing photographic documentation. The warranty shall apply only if the complaint of defect is notified within the time indicated above. However, the Seller reserves the right to examine and control the goods to verify if the Buyer's complaint is justified. Unless otherwise agreed by the Parties, when the complaint is presented within the time limit and it is founded, the Seller proceed to the replacement of the vitiated component, delivering the replacement part to the Buyer within 60 days from the complaint. In this case, the Buyer may not request neither the termination of the contract nor a price reduction. The Buyer does not require the termination of the contract even when the goods have been irreversibly transformed or when they are not yet in his availability. In any case, any possible complaints of the Buyer do not justify the suspension, even partly, of the payment of the contested goods nor the suspension of the collection of the goods and the payment of other supply. Unless otherwise agreed, the replacement of the vitiated part is to be understood free carrier (FCA) with all expenses and the transport risk borne by the Buyer.

#### 13. LIABILITY

The Seller shall be liable to the Buyer for the direct damages suffered or caused by the no conformity of the goods to the technicals characteristics specified in the contract or because of the defects, only if the Buyer gives demonstration to have ignored them without fault. However, any liability of the Seller for the consequential damages is excluded. The claim for damages must arrive within the period of loss and limitation indicated in the previous art. 12. The Buyer is still required to adopt all the measures needed to eliminate dangerous consequences, failing which the right to damages is lost. Different from those previously mentioned, the Seller is not liable for the damages caused by use, application or transformation of the goods by the Seller or third parties after delivery.

#### 14. FORCE MAJEURE

The Seller shall have the right to suspend performance of his contractual obligation when such performance becomes impossible or unduly burdensome because of unforeseeable events beyond his control, such as strikes, boycotts, lock-outs, fires, war, riots, delay in delivery of components or raw materials. In that case the Seller must promptly communicate in writing to the Buyer the occurrence and the end of such force majeure circumstances. Should the suspension be due to force majeure last more than six weeks, either Party shall have the right to terminate the contract by a written notice to the counterpart, without entailing liability obligations or indemnity.

#### 15. TERMINATION OF THE CONTRACT

The contract shall be deemed to be terminated in accordance with art. 1456 of the civil code, when the Buyer does not pay the price; refuse or omit to collect the goods within agreed terms. The termination of the contract occurs when the Seller shall notify, by written notice, the Buyer his intention to make use of the termination of the contract. In the event of termination, the goods – if already been taken off – must be returned to the Seller within the following 7 days, with expenses borne by the Buyer. The delay in the good's return shall entail the payment of a penalty of 1% of good's price for each day of delay. In case of termination of the contract, in addition to return of the goods, the Buyer also must pay a penalty of 50% of good's price, excluding any further damage, which be granted with the penalty for the delayed return. The Buyer shall still compensate the Seller any expenses derivated by termination of the contract and by returning of the goods. If the Buyer omits to collect the goods, the Seller is entitled to keep the advances paid by the Buyer as a penalty, excluding any further damage.

#### 16. SUSPENSION OF THE PERFORMANCE AND WITHDRAWAL FROM THE CONTRACT

The Seller may suspend the performance of the contract if the Buyer is subject to bankruptcy or other legal procedure or entered into voluntary (or not) liquidation; involved in trasformation or merger of his company or when his company is sold or leased to third parties; when the Buyer is notified at risk of insolvency or banks cancel his exposures. The Seller may communicate to the Buyer the suspension in writing and this involves the defferal of 30 days of the delivery terms. Within the same time limit of 30 days, the Seller may communicate his withdrawal from the contract, specifying as just cause for termination of the contract one of the events defined above. In case of withdrawal, the Buyer is not entitled to receive any indemnity, compensator or refund.

#### 17. JURISDICTION

For any dispute between the Seller and the Buyer that may arise from the interpretation or application or implementation of sale contract, it is expressly agreed that The Court of Padua is the exclusive competent authority.

Bresseo di Teolo,  
Ritmo s.p.a.

the Buyer

Under and for the purposes of the art. 1341 of the Civil Code, the Buyer declares to have read and approve the clauses of the General Conditions n. 4 (products delivery with variation in measures, dimensions and quantity); n. 6 (late delivery; limitation of Seller's liability); n. 9 (option of suspending the performance of the sale and loss of the benefit of the term; renounce for the Buyer to any complaints); n. 12 (defects in the goods, loss of entitlement and waiver of the objections for the Buyer); n. 13 (exclusion of Seller's liability for consequential damages and after delivery); n. 14 (suspension and withdrawal due to a force majeure event); n. 15 (penalty for termination); n. 16 (suspension of the performance of the contract and withdrawal of the Seller); n. 17 (jurisdiction).

Bresseo di Teolo,  
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the Buyer