

## GENERAL SALES CONDITIONS

These General Sales Conditions cancel and replace all the previous ones.

### Art. 1 Definitions

In the interpretation of these General Sales Conditions the following terms shall have the meaning set forth below:

- a) Seller: Reginato F.lli S.r.l. – Vat No. 00190030262 – with offices at 31038 Padernello di Paese (TV), Via Toscana n. 27;
- b) Buyer: the company and/or the person who will place the Order;
- c) Parties: Seller and Buyer considered together;
- d) Order: the communication with which the Buyer declares to the Seller that he wants to purchase certain Products;
- e) Product(s): the goods specified in the Order, subject to the Sales Agreements between Buyer and Seller;
- f) Order Confirmation: the document sent by the Seller to the Buyer containing the acceptance of the purchase proposal, the type and total price of the Products subject to the Order, any changes to the Order, any Special Conditions of Sale;
- g) Sales Agreement: any agreement or subsequent document or amendment, as resulting from the integration of the Order and Order Confirmation (with prevalence of the dispositions contained in the order Confirmation with respect to those indicated in the Order) between the Seller and the Buyer regarding the sale of the Products;
- h) DDP and FCA: the regulation of rights and obligations of Seller and Buyer provided, with reference to the acronym DDP and FCA from the Incoterms 2020 of the International Chamber of Commerce in Paris;
- i) General Sales Conditions: these General Sales Conditions;
- j) Special Sales Conditions: any supplementary and/or amending condition of these General Sales Conditions granted between the parties in the manner set out below.

### Art. 2 General Dispositions

2.1. All contracts entered into by the Seller for the sale of its Products to a customer (hereafter the Buyer) shall be subject to these General Sales Conditions.

These General Sales Conditions, excluding any exception specifically agreed in writing, shall apply to all present and future sales. Any reference made to trade terms (such as, DDP, FCA, EXW, DAP, etc.) must refer to the Incoterms published by the International Chamber of Commerce in force on the date of conclusion of the sale agreement.

2.2. In addition to these General Sales Conditions, any agreement between the Seller and the Buyer will be subject to the Special Conditions of Sale set out in the pro forma invoice issued by the Seller (hereinafter "Pro Forma Invoice").

2.3. In the event of a conflict between these General Sales Conditions and the Special Conditions of Sale established in the Pro Forma Invoice, the special conditions established in the Pro Forma Invoice shall prevail.

2.4. These General Sales Conditions and the Special Sales Conditions established in the Pro Forma Invoice replace any previous written or oral agreement between the Seller and the Buyer. The Buyer's general conditions of purchase shall not apply and are hereby rejected.

### **Art. 3 Formation and Purpose of the Agreement – Transfer of Ownership**

3.1. Each Sales Agreement shall only come into force upon receipt, by the Seller, of all the following: (1) the advance payment made by the Buyer for the amount shown in the Seller's Pro Forma Invoice, and (2) a written Purchase Order by which the Buyer fully and unconditionally accepts the terms set forth in the Seller's Pro Forma Invoice, including these General Sales Conditions. The Seller is therefore committed to a contract of sale only after receiving all the above.

3.2. No amendments to these General Sales Conditions and the Special Conditions set forth in the Pro Forma Invoice shall be valid unless made in writing between the Parties. Similarly, subsequent additional obligations on the part of the Seller may not be validly agreed between the parties, unless in writing.

3.3. Any instruction given verbally or over the phone must be confirmed in writing by the Seller; otherwise, the Seller will be relieved of any liability for errors or consequent misunderstandings.

3.4. Seller's catalogues, prices, offers or other advertising materials have the only purpose of describing the type of Products, they may not be intended as contractual obligations or warranties of the Seller. The only prices and the only binding contractual conditions are those contained in the Pro Forma Invoice and in these General Conditions of Sale.

### **Art. 4 Products Delivery**

4.1. Except as agreed otherwise in writing, delivery of Products is "Delivery Duty Paid" (DDP) at the place of destination on each occasion agreed upon and determined in the order confirmation. "DDP" is to be interpreted in accordance with the Incoterms of the International Chamber of Commerce, as in force on the date of the sale contract conclusion. With the DDP delivery, the Seller makes available the goods, already cleared for import in the country of destination, in a place agreed with the Buyer. The Seller assumes all transport costs and risks to the agreed place, must obtain any export and import licenses and authorizations and pay taxes, charges and customs duties for import. Only the unloading of the means of transport is borne by the Buyer.

4.2. Where the Parties agree in the Order Confirmation that the delivery of the goods to the Buyer takes place "FCA" Incoterms ("Free Carrier") at the Seller's headquarters – and this latter assumes the obligation to load them on the means of transport of the Carrier identified by the Buyer and, if necessary, according to the country of destination, to clear them for export - the following rules will apply:

a) the Buyer shall employ a Carrier;

b) the Buyer undertakes to ensure that the Carrier avails himself of means correctly sized according to the order;

c) the Buyer undertakes to ensure that the carrier uses only vehicles with rear and not side load;

d) the Buyer undertakes to inform the Seller 24 hour in advance about the name of the carrier, the license plate of the vehicle and if a ramp on delivery is needed.

e) the Buyer undertakes to obtain the subscription of the transport document (DDT/CMR) from the recipient and to send it to the Seller within 4 (four) days from the shipment of the goods, on pain of charging VAT on the supply.

4.2.1. From the moment of delivery of the Products to the first carrier, as well as in the event that the Buyer delays in collecting the products, the Buyer will be bound to pay the deposit costs and all subsequent expenses as follows, without prejudice to any further rights and remedy available to the Seller.

4.2.2. In particular, when the "goods ready" notice is given the Buyer, whether he directly appoints the carrier or asks the Seller to organize the transport (in any case at the Buyer's expense), must immediately collect the Products at the Seller's factory in Padernello di Paese (Treviso – Italy), Via Toscana No. 27, in accordance with all the agreed conditions. A delay in the collection of the Products will be adjusted as follows:

- up to 10 (ten) days from the notice of " goods ready ": the Products remain deposited at the Seller's premises at no additional cost;
- Over 10 (ten) days and up to 30 (thirty) days: the Products remain deposited at the Seller's premises with charges for safe deposit of 0.2% (zero point two percent) of the value of the Products for each day of delay after the tenth day, up to a maximum of 6% of their value.
- Over 30 (thirty) days: The Seller will be authorized to deposit the Products, at his discretion, at a third-party deposit, of which the Buyer will have to bear the consequent costs, including the costs related to the insurance of the Products against damage, fire or theft. Without prejudice to the Seller's right, in this case, to terminate the sales agreement as provided for in Article 13.

4.2.3. Even if it is agreed that the Seller will take care, in whole or in part, of the organization of the transport, the expense and customs charges of which would still be borne by the Buyer, all risks related to the loss and damage to which the Products are exposed, including the risks related to their transport, will be fully borne by the Buyer from the time and place of delivery (according to the agreed Incoterms). For non-EU Countries, the Seller will never take care to organize the transport.

4.2.4. The delivery terms indicated by the Seller or agreed between the parties are indicative and not mandatory, so any delays may not give rise to any claim for compensation or cancellation of the order by the Buyer. Any penalty clauses for late delivery will have no effect against the Seller. The delivery terms are intended to start from the date of receipt of the order confirmation and the signed General Conditions. The Seller reserves the right to make partial deliveries, at the time and to the extent that individual parts of the product are ready for delivery.

4.2.5. If the Buyer requests the Seller to instruct a carrier or a forwarder to collect and transport the goods, he shall do so in writing and, if the Seller agrees, the carrier or forwarder will be understood to be directly appointed by the Buyer with risks and expenses at his expense.

4.3.1. The delivery terms are in any case exceeded by the arrival of any causes of force majeure (for which reference is made to Article 10) or by acts or omissions of the Buyer (such as, but not limited to, failure to communicate indications necessary for the supply of the products, delay in payments, etc.).

4.4. In case of transport organized by the Buyer, he undertakes to communicate any non-delivery of the Products in the place indicated in the transport document or delivery in a different place, compensating

the Seller for the taxes, penalties and interests that the Financial Administration should request for the non-sending abroad of the sold goods.

4.5. Regardless of the delivery terms chosen, the execution of the supply may be suspended as a result of worsening changes in the client's wealth conditions (Art. 1461 of the Italian Civil Code).

## **Art. 5 Packaging**

5.1. The standard packaging is in cardboard boxes placed in chep pallets or europallet 80\*120 or one-way pallets (the latter never used in case of very heavy products)

5.2. Where chep pallets are used, the chep company of the delivery Country will contact the Buyer for the collection of the same.

5.3. In the case of pallets EPAL the cost per pallet indicated in the Order Confirmation is normally applied, unless their return is agreed in writing at the expense of the buyer.

5.4. Packaging stability is guaranteed with chep and EPAL pallets.

5.5. The pallets complete with goods are sealed by the seller with transparent tape or, at the express request of the Buyer, with opaque black tape without additional costs.

## **Art. 6 Cancellation of orders**

6.1. Purchase orders, once sent to the Seller in accordance with Art. 2, cannot be deleted by the Buyer without the written consent of the Seller. In case of cancellation of orders, any payment received in advance, will be retained by the Seller as a penalty in accordance with Article 1382 of the Civil Code and will not be refunded to the Buyer.

6.2. In addition to the above, the Seller reserves the right to request the reimbursement of the costs incurred and compensation for any further damages caused by the Buyer for the cancellation of the order, with the reservation to assert further rights and remedies.

## **Art. 7 Prices**

7.1. The prices established in the Seller's offer are net of any discount, net of all bank transfer costs and commissions related to currency exchange, are expressed in Euro currency, are valid for the entire order and not only for a part of it and include all expenses and customs duty.

7.2. The prices refer to the goods delivered DDP (delivery Duty Paid) unless it is agreed in writing the delivery FCA at the headquarters of the Seller in Padernello di Paese (TV-Italy), according to the Incoterms published by the International Chamber of Commerce and current on the date of conclusion of the sale contract, unless otherwise agreed. In FCA delivery, all taxes, duties and customs fees shall be borne by the Buyer.

7.3. Prices, quotations and discounts are subject to changes without any obligation of notice by the Seller.

## **Art. 8 Payment**

8.1. Invoices will be issued by the Seller in compliance with the provisions of the Order Confirmation. Unless otherwise provided, all payments must be sent to the Seller by bank transfer coming exclusively from current accounts in the name of the recipient of the invoice at the bank indicated by the Seller.

8.2. The Seller always requires the advance payment of the Products that will be made as soon as the Order Confirmation is received. The payment of the goods is considered executed only when the Seller is credited with the relative amounts.

8.3. If payment by letter of credit is agreed, this latter must be issued by a primary credit institution that has adopted the Uniform Rules and Uses for Documentary Credits issued by the International Chamber of Commerce (CCI), in the version in force at the time of conclusion of the agreement. Unless otherwise agreed in writing, the letter of credit will be irrevocable and confirmed by an Italian bank. Letters of credit must be opened within the agreed deadline; otherwise, the Seller may suspend the fulfillment of the sales contract without prejudice to any other rights and remedy.

8.4 If it is agreed that the payment must be accompanied by a bank guarantee, the Buyer shall make available, at least 30 days before the agreed date for the shipment unless otherwise agreed, a bank guarantee at first request or a standby letter of credit subject to the latest Uniform Rules on Guarantees at First Request published by the International Chamber of Commerce, issued in any case by a bank of good reputation.

8.5. Any delay or irregularity in payment gives the Seller the right to suspend supplies, even if they do not pertain to the sale agreement in question, and also the right to compensation for any damage (including that related to currency devaluation). In any case the Seller has the right– starting from the expiry date of payment, without the need of formally placing the Buyer in default – to late payment interest pursuant to Legislative Decree n.231/2002 (that is 8 points above the rate applied by the European Central Bank to its main refinancing operations).

The above is without prejudice to the Seller's right to terminate the sales agreement pursuant to Article 13.



8.6 The Buyer is bound to full payment in the event of dispute or controversy. Any rights of the Buyer to set-off or withhold payments are hereby excluded.

## **Art. 9 Retention of Title**

The Products remain the property of the Seller until receipt of full payment of the price by the Buyer, according to the provisions of art. 1523 and following of the Italian Civil Code.

## **Art. 10 Circumstances beyond control and excessive onerousness**

10.1 Events exempting the Seller from any liability in case of delay or failure to perform, are by way of example and without limitation the following: government measures, lockouts, strikes, occupation of premises, fire, explosions, natural disasters, pandemics, collapse, floods, delay or non-delivery of

supplies, transport difficulties, boycotts and closures, energy black-outs or other events due to circumstances beyond control, which impede or considerably affect production by the Seller or its suppliers, or seriously hinder transport of the goods sold.

10.2. If the fulfilment of contractual obligations by the Seller becomes excessively onerous, for any unexpected reason by a trader with normal experience in this sector and beyond the Seller's control, causing an increase in the Seller's costs or a reduction in the value of the Products by 20% or more in comparison with the values agreed upon in the original sale agreement, the Seller will be entitled to request a renegotiation of the contractual terms and, in the event of failure to reach an agreement, the Seller may terminate the sale contract by written notice effective immediately, without any liability to the Buyer.

## **Art. 11 Claims for defects**

11.1. The Buyer is bound to check the Products promptly upon receipt, and shall notify the Seller in writing, within and no later than 8 (eight) days from the time of delivery (pursuant to the agreed upon Incoterm), about any damage to the Product or non-conformity in delivery that could be discovered when receiving possession of the goods (patent defects) in specific detail with adequate photographic documentation suitable to allow the Seller to verify the contents of the complaint attached.

In case of failed, incomplete or late notification, the Buyer's right to complain about the above defects or non-conformities will be considered lapsed.

11.2. Any defects in conformity that cannot reasonably be identified following a check of the Products as in paragraph 11.1 (latent defects) must be notified in writing by the Buyer not later than 8 (eight) days from the actual discovery, specifying the defect details with adequate photographic documentation. Should the Buyer fail to timely comply with the above, the Buyer's rights will lapse. The statute of limitation term expires after 1 (one) year from the date of delivery of the Products, as stated in Article 1495 of the Civil Code.

11.3. Such a complaint must be made by registered letter with return receipt and anticipated with e-mail/pec. Any complaint of defects shall specify precisely the defect found and the Products to which it refers.

11.4. Any other form of complaint is excluded, mainly by telephone or by agent or representative. In the absence of a timely complaint as above specified, the Buyer will be considered to have lapsed from any right and action to enforce the Seller's warranty under these General Conditions and/or the law.

## **Art. 12 Seller's limited warranty and liability**

12.1. The Seller warrants that the Products sold have the essential qualities for the use for which they are intended and comply with Italian law as well as any EU legislation that may apply.

12.2. In the absence of a specific request and written agreement, the Seller is not liable for the Products' compliance with laws and/or regulations of the Buyer's Country or any other Country in which the Products are to be used especially if outside the European Union. Absent any such specific request and

agreement, the Buyer bears any and all risks connected with any lack of Products' compliance with local regulations, and shall keep the Seller fully indemnified and harmless from and against any damages and losses that Seller may suffer as a consequence of such lack of compliance.

12.3. The warranty for any faults and defects of the Products, is valid for the period of 12 (twelve) months from the delivery of the Products DDP or "FCA" (Free Carrier, seller's premises) provided that it is exercised in compliance with the terms of forfeiture and limitation pursuant to article 11.

12.4. The warranty is intended solely for the Buyer's benefit and may not be extended to any possible subsequent buyers of the Products, nor to third parties in general.

12.5. For the validity of the warranty, the Buyer must scrupulously comply with the indications contained in the instructions of use provided by the Seller.

12.6. The warranty shall not apply if the Buyer is not up-to-date with payments, has made modifications or has tampered with or damaged the Products or has used them for purposes other than their normal intended use, as well as in all the hypothesis of damage deriving from fault or negligence of the Buyer, its employees and auxiliaries or third parties in general.

12.7. The Seller's warranty does not even cover any damage due to incorrect storage in the case of Products in whole or in part kept in stock by the Buyer before resale to final buyers.

12.8. The Buyer shall, after obtaining Seller's authorization, ship the defective Product parts to the Seller for inspection. All Products sent back for warranty repair or replacement shall be shipped to the Seller with shipping cost prepaid at the Buyer's expense and shall be shipped to the following address: Fratelli Reginato S.r.l. Via Toscana n. 27, 31038 Padernello di Paese (TV, Italia).

The material sent without prior authorization by the Seller and/or with non-prepaid transport shall not be collected.

12.9. If the inspection at the Seller's premises proves the existence of the claimed defects, the Seller shall, in its sole and unquestionable judgment, replace the defective Product or, alternatively, repair the defects. Any replaced Product shall be delivered "FCA" (Free Carrier). The defective Products shall become the Seller's property after their replacement.

12.10. The warranty granted under this Article is the sole warranty and replaces any other possible form of warranties, whether provided for by law or commercial uses.

12.11. Consequently, any Seller's liability, contractual and/or non-contractual, for direct or indirect damages deriving from the Products provided is expressly excluded, except only in cases of malicious misconduct or gross negligence. In any case, the Seller's total liability may not exceed the price of the Products covered by the sales agreement to which the Seller's liability relates.

### **Art. 13 Termination**

13.1. Pursuant to article 1456 of the Civil Code, the Seller shall have the right to terminate the sales agreement with the Buyer, by means of simple written communication with immediate effect, if:

- a) The Buyer does not comply with any of its payment obligations (even a single payment) within the due date; or
- b) In case of sale with non DDP delivery, where the Buyer does not comply with the obligation to collect the Products beyond 30 (thirty) days from the date of the Buyer's receipt of the "goods ready" notice pursuant to art. 4.2.2 above.

In both cases a) and b) above the Seller shall be entitled to finally retain any and all payments already received from the Buyer as penalty pursuant to Article 1382 of the Civil Code, without prejudice to the Seller's right to request in addition the reimbursement of the incurred costs and the compensation for further damages if any.

13.2. In case of contract termination, the Seller shall be entitled, at the Seller's discretion, to sell to third parties the Products subject matter of the contract with the Buyer, even in separate batches, in which case the Seller shall be entitled to recover from the Buyer any negative price difference as well as any additional damages suffered.

As an alternative option to terminating the agreement, the Seller shall be fully entitled – at its discretion – to claim full performance of the sale agreement from the Buyer, and to seek compensation of damages.

The above is without prejudice to any further rights and remedies available to the Seller.

### **Art. 14 Autonomy**

Should any of these General Conditions be considered void or unenforceable, such invalidity or unenforceability may not affect the validity of the other clauses, which shall continue to be fully enforceable.



## **Art. 15 Interpretation – Modifications - Language**

15.1. Any reference to the Seller's prices, general conditions or other Seller's material relates to the documents in force at the time of that reference, unless otherwise specified.

15.2. Unless these general conditions provide otherwise, any modification to a sales agreement shall be agreed in writing.

15.3. In case of doubts of interpretation, the text in Italian will be taken as authentic.

## **Art. 16 Incoterms**

The use of the term DDP (Delivery Duty Paid) or "FCA" (Free Carrier) in these General Conditions, as well as any other different delivery term agreed upon between Seller and Buyer, shall be interpreted in accordance with the INCOTERMS of the International Chamber of Commerce (ICC) in force at the date of the conclusion of the sale agreement.

## **Art. 17 Privacy and Confidential Information**

The Buyer and the Seller acknowledge that each of them may disclose confidential information related to their business to the other. Each party undertakes to keep such information confidential and not to disclose its content to any third party, to use such information only for the purposes of the Sales Agreement and to return, if requested by the other party, the documents received containing confidential information.

## **Art. 18 Applicable Law – Disputes**

18.1. This Agreement shall be governed exclusively by Italian law, without applying the principles of private international law or the rules of the Vienna Convention of 1980.

18.2. The competent law court is exclusively that of the place where the Seller has his registered office (Treviso-Italy) and it shall have the exclusive jurisdiction in any court action arising out of or in connection with any sales agreement between Seller and Buyer. However, as an exception to the principle hereabove, the Seller is in any case entitled, at its discretion, to bring his action before the competent court of the place where the Buyer has his registered offices.

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The Buyer

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The Seller

(to be signed by the Buyer's legal representative and sealed with the company seal)

Pursuant to Articles 1341 and 1342 of the Italian Civil Code, the Buyer hereby approves specifically the clauses of these General Sales Conditions mentioned here below:

Article 2.4. (General Provisions)

Article 4 (Products Delivery)

Article 6 (Cancellation of Orders)

Article 8 (payment)

Article 10 (Circumstances beyond Control and Excessive Onerousness)

Article 11 (Claims for Defects)

Article 12 (Seller's Limited Warranty and Liability)

Article 13 (Termination)

Article 18 (Applicable Law – Disputes)

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The Buyer

(to be signed by the Buyer's legal representative and sealed with the company seal)