

GENERAL TERMS AND CONDITIONS

Art. 1) Execution of the Agreement

- a. The present General Conditions of Sale shall be automatically applicable upon the acceptance by the purchaser of the seller's offer or order confirmation.
- b. The executed agreement can be terminated by the purchaser by written notice. If this communication reaches the supplier within the 5 days following the execution of the agreement, no penalty shall be applied, but the purchaser shall pay Piovan a liquidated damage fee calculated on the percentage of the products price equal to:
 - 15%, if the cancellation is received by Piovan after the technical development process has already started;
 - 60%, if the cancellation is received by Piovan after the procurement of the construction material but before the manufacturing process has already started;
 - 90%, if cancellation is received by Piovan after the manufacturing process has already started.
- c. Without prejudice to the aforementioned penalties, in any case the supplier is entitled to compensation for further damages for expenses incurred, work performed and damages resulting from the termination of the agreement.

Art. 2) Drawings and descriptive documents

- a. The type of equipment offered and the relative price are based on the project parameters as described in the quotations of the supplier company and expressed in the purchase offer.
- b. Should the customer require any changes in the specified parameters (e.g. the positioning, the layout of the system) indicated in the supplier's quotations, these amendments shall be valid as a new offer and they can determine the substitution of the selected equipment, the relative price and delivery lead time. Should the customer require equipment with variations of any type and size with respect to the machinery listed in the seller's catalogue, or in any case in the event of a request for customized machinery or with variations, the purchaser shall notify the seller in writing the drawings and technical documents, the variation data and any other instruction. The supplying party shall communicate the new price and the new delivery time based on the prescriptions required.
- c. The equipment is supplied with a copy of the relevant ECC Conformity Declaration; the relative technical file will be retained by the supplier and, upon request, will be made available to the competent authorities for inspection.
- d. The weights and dimensions, prices, returns and other data provided in the catalogues, brochures, advertisements and price lists illustrations shall be of a merely indicative character. These data are binding only if expressly provided for in the agreement.

Art. 3) Prices

- a. Unless otherwise agreed by the parties, the prices of the equipment supplied shall be expressed in Euros.
- b. In individual offers, the seller can indicate the terms within which the proposed conditions are to be considered valid. In any case, even in the absence of such indication, the prices proposed will remain valid for a period of 30 days from the offer date.
- c. The prices of the goods are always intended ex-works; these prices include standard cardboard packing, while they are exclusive of different packing (maritime wood, etc.), import tariffs, custom duties and taxes, transport costs, insurance costs and any item other than those expressly included.
- d. Unless otherwise agreed by the parties, prices do not include installation, start-up or training of the personnel by the supplier. The purchaser may purchase separately such services, according to the conditions set forth in a specific agreement to be stipulated between the Parties.
- e. Payments are due exactly at the deadlines agreed by the parties, even if the purchaser has not had the chance to examine the products. Failure to comply with the terms of payment conditions exempts the seller from any obligation to deliver, even in relation to products different from those covered by the supply that gave rise to the non-compliance, and it gives right to the seller to proceed with the advanced collection of the entire credit by giving execution to the agreement, unless the seller prefers to terminate the agreement and to retain the sum paid up to then by the purchaser as a penalty and subject to greater damages.
- f. The purchaser guarantees that the products can be freely imported and he is committed to the total payment of the products even if limitations and prohibitions not caused by the seller have occurred at the time of the importation.

Art. 4) Title

- a. The ownership of products shall pass only at the time of the payment of the total amount covered by the supply as per agreement.
- b. In the event of deferred payment, the products delivered remain in the property of the seller until full payment of the price. The purchaser undertakes to make this retention of title effective towards third parties. The seller is entitled to fulfil at the purchaser's expense any formality necessary to make the retention of title enforceable against each third party.
- c. The purchaser shall not resell, transfer or constitute pledges or lien of any type on the purchased products until full and complete payment of the price is effected, unless requested and agreed in writing by the manufacturer.

Art. 5) Delivery Term

- a. The delivery terms shall be calculated from the stipulation of the agreement or from the later moment of arrival of all the indications and documents to be paid by the purchaser or from the payment of any payments on account to be made. This delivery time is suspended for the period of any force majeure events or for changes required by the purchaser: in these cases the delivery term shall be automatically extended for the period necessary to make the changes. It is also suspended for the period in which the purchaser has not complied with the payment obligations within the set terms.
- b. Unless otherwise agreed between the parties, the purchaser is liable for the transporting of the equipment from the supplier factory or warehouse to the final destination; the purchaser is also liable for providing information to the shipper on the correct positioning and safety status of the products packed during the transportation.
- c. The risks pass to the purchaser from the moment of the equipment delivery for the shipment. The seller is not liable for loss or damage to the products after the transfer of risks. The purchaser in no case is released from the obligation to pay the price when the damage occurs after the transfer of risks.
- d. The purchaser is exclusively liable for the installation of equipment, including connection to all utilities (e.g. compressed air and cooling water). The purchaser is liable for the transport, unloading, unpacking, assembly and positioning of all the equipment.
- e. Agreements for the supply of complete equipment – In the event of the conclusion of complete supply and equipment agreements, the parties agree that the supplier can execute a supply of plant material exceeding the requirements estimated in the project in order to avoid that during the installation material deficiencies may occur. Once the work is completed, the exceeding unused material shall be returned to the supplier.
- f. Obligation of the purchaser to takeover – The purchaser shall always take delivery of the products purchased on the agreed date. If the purchaser fails to promptly take delivery of the products, the purchaser shall bear all the expenses that may derive from it and any sum due for any reason shall immediately become chargeable. In this case, the seller may store the products at the purchaser's own risk or ship the products in the name and on behalf of the purchaser to the latter's headquarter or to the place already indicated in the contractual offer determined as the place of destination.

- g. Unless otherwise agreed by the parties as resulting from the accepted contractual offer, the payment of the contractual price is due in any case in the following ways:
 - 30% at the receipt of the order confirmation;
 - 60% upon delivery;
 - 10% within 30 days from the shipping.
- h. If the purchaser does not comply with the agreed terms of payment, he shall pay, without any written request, starting from the agreed deadline of payments onward, the interest set by in the Legislative Decree 09/10/02 n.231.
- i. Delivery shall be subject to (i) non-involvement in the transaction of any individual or legal entity with whom it is prohibited doing business under EU, UK and/or US norms ("Designated Entity") and (ii) prior issuance of the export authorization under the applicable laws and regulations.
- j. The purchaser represents not to sell or otherwise transfer the products to (i) any Designated Entity or to clients that are owned or controlled by, or are acting for or on behalf of any Designated Entity, (ii) any location in North Korea, Cuba, Iran, Sudan, Syria, Belarus, Russia, Crimea, Sebastopol or in any area of Ukraine which is not under control of the Ukrainian government. In no event the seller shall be liable if the supply of the products results unfeasible, or unreasonably difficult, or uneconomic as a result of any change in laws, affecting the country of final destination and/or the subjects of the transaction.

Art. 6) Warranty

- a. The seller undertakes to deliver machinery in accordance with the terms agreed. Any warranty for goods other than machinery is excluded.
- b. The seller provides a warranty for a period of 24 months from the date of delivery of the equipment. The obligations of the supplier during the warranty period relate to the replacement without charge of any defective part. All the other costs relating to the replacement (e.g. travel, accommodation and transportation) shall be borne by the purchaser. Defective parts replaced under the warranty must be returned to the supplier at the purchaser's expense.
- c. Warranty extension –The seller is not liable for flaws and defects deriving, even indirectly, from drawings, projects, information, software, documentation, indications, instructions, materials, semi-finished products, components, other material goods and anything else supplied, indicated or required by the purchaser or by third parties who act, in any way, on their behalf; the seller is also not liable for defects of conformity and defects in materials, software, semi-finished products, components and any other product incorporated or not of the machine, supplied, indicated or required by the purchaser or by third parties acting, in any case, on behalf of the aforementioned. The seller is also not liable for defects in the conformity of the machine and defects due to normal wear of those parts which, by their nature, are subject to rapid and continuous wear (e.g. filters, seals, gaskets, relays, contracts, switches, Dew Point sensors, etc.).
- d. The purchaser shall, subpoena of forfeiture, notify the defect of conformity or defect of the machinery, describing it in detail in writing, within 15 days since he discovered it or could have discovered it. The purchaser forfeits the warranty if he does not allow the control required by the seller or if he refuses to return the defective part.
- e. All the cases of contractual violation and their legal consequences as well as any other claim that the purchaser asserts are governed by these conditions in an exhaustive manner. In particular, all claims not explicitly mentioned for damages, price reductions, resolution of the agreement or withdrawal thereof are excluded. In no case the purchaser can claim rights of compensation for damages not occurred on the product supplied, especially in case of damages due to lack of production, failure to use, failed orders, lost profits as well as for other direct or indirect damage.

Art. 7) Final Provisions

- a. The seller reserves the right to resolve this agreement at any time if one of the following conditions occurs:
 - in case of non-payment or late payment of the selling price at any of the established deadlines, which is a circumstance to be considered as serious non-compliance pursuant to article 1455 of the Italian Civil code;
 - in case of improper preparation of the premises;
 - in case of tampering of the machinery sold;
 - in case of unauthorized agreement release;
 - in case of the purchaser being subject to insolvency proceedings.

In these cases the resolution will be by right through a written communication by registered letter with return receipt; the seller may require the return of the machinery supplied and may retain the sum received as a deposit and the sum may be charged as freight for use, without prejudice to the right to claim further damages.

- b. The purchaser (i) acknowledges and agrees that the export outside the territory of the EU and/or towards certain entities or destinations of the products procured from the seller could be subject to control by competent authorities, and (ii) represents to have put in place all the necessary measures to comply with Italian, EU, UK and/or US laws and regulations on international economic sanctions and undertakes not to export such products to any Designated Entity. The purchaser relieves the seller of any liability, damage or detrimental consequence that may arise from any violation of the applicable provisions concerning export control and international economic sanctions in relation to the above-mentioned products procured from the seller.
- c. The purchaser acknowledges that changes to US, EU, UK - or other applicable sanctions laws and regulations - as well as failure to obtain any authorization, could limit or prohibit any ongoing transactions ("Excusing Event"). If, as a result of an Excusing Event, the performance of the seller's obligations (i) may be deemed unlawful or invalid, the seller shall have the right to terminate by written notice with immediate effect the affected transaction without any liability or obligation of any kind in respect to the purchaser, (ii) results to be impossible or excessively burdensome, the transaction shall be suspended until the Excusing Event is terminated, while the seller and the purchaser shall endeavor to minimize the prejudicial effects of such suspension.

Art. 8) Storage costs

After the date of communication/notification of ready products and in the event that the products transportation is not at its expense, Piovan will grant two weeks of free storage at its warehouse. After this BONUS period, Piovan shall charge 1.5% of the total value of the order to cover the first month of storage (starting from the date of notification of ready products). Each additional month shall be charged at the same 1.5% rate, starting from the third week, therefore keeping the free storage bonus for the first two weeks of each month. The charge shall also be applied in the event the transport is charged to Piovan, but the delay of shipment is not attributable to activity/will of the same.

Art. 9) Dispute settlement

The place of jurisdiction for any disputes is the court in which the services mutually provided for in this agreement must be performed, namely the place of jurisdiction of the seller in relation to the obligation to pay the price and the place of delivery of the product. In any case, these general conditions of sale are governed by the Laws of Italy, which is the only applicable law.

Art. 10) Code of Ethics and Organizational Model pursuant to Legislative Decree 231/2001

The purchaser declares that he has not incurred any violation that may cause his liability pursuant to provisions of Legislative Decree 231/01 (and its

subsequent amendments and additions) and that he is not aware of ongoing investigation by the competent authority in this regard. The purchaser declares to (i) be aware of the fact that Piovan S.p.A. has adopted an Organizational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 ("Organizational Model") and a code of ethics ("Code of Ethics"), both available on the website www.piovan.com, (ii) have read the Organizational Model and the Code of Ethics and accept them as an integral part of these General Conditions.

The purchaser therefore undertakes to operate in compliance with the requirements of the current legislation and of the rules of conduct of Piovan Code of Ethics and not to carry out – and to ensure that its employees and collaborators do not put in place – any conduct that could lead to liability pursuant to Legislative Decree 231/01, whether in favour of the Company or third parties. In case of non-compliance, even partial, by the purchaser to this provision and/or in the event that the declarations made by the same prove to be incorrect, not true or improper, Piovan S.p.A. may terminate by law pursuant to art. 1456 of the Italian Civil Code the present contractual relationship, except in any case the right to act for the compensation of any damage suffered.

GENERAL CONDITIONS OF INSTALLATION

Art. 1) Testing

Parties may agree, by separate agreement, on the installation, testing and commissioning and start-up of the equipment supplied at the plant indicated by the purchaser and upon determination of a specific compensation; should the parties fail to provide a written agreement, these items must be considered not included in the supply. It is hereby understood that the installation activities could be carried out by external staff hired by companies other than Piovan S.p.A.

Art. 2) Commissioning and start-up by the purchaser

If expressly agreed between the parties, the machinery may be commissioned by the purchaser. The commissioning and start-up by the purchaser shall concern the verification of the installation assembly execution, when these are performed by the supplier, and the functioning of the machinery.

The commissioning and start-up of the equipment shall be ascertained in a specific report and shall be considered positively performed in the event any lack of conformity of the equipment, or of manufacturing, assembly or installation defects, during or immediately after the commissioning and start-up, are not specifically disputed in writing in the report of the commissioning.

In any case, the purchaser shall not have the right to contest defects different from those included in the verification of the conformity defects elimination and from the verification of the assembly and installation execution if performed by the supplier.

In the event that the assembly or installation of the equipment is borne by the purchaser, he must complete them before the scheduled commissioning and start-up date and notify the supplier of the date to put it into operation with sufficient notice to allow the personnel of the supplier to attend.

In case of non-conformity of the installation, all the costs for the compliance are borne by the purchaser.

In the event that the assembly and installation is performed by the supplier, the commissioning and start-up shall be performed after the purchaser indicates the date agreed with the supplier.

In the event that the commissioning and start-up with the signing of the relative report occurs on the occasion of the visit of Piovan S.p.A. personnel on the agreed date, the purchaser shall not be held liable for additional charges. In any other case, any cost, even additional to the budgeted one, will be charged to the purchaser.

If the purchaser does not allow the commissioning and start-up to be performed and in any case after 30 days from the completion of the assembly or installation for reasons not attributable to the supplier, the acceptance tests must be considered to have been performed successfully.

The costs necessary for the execution of the commissioning and start-up with the purchaser shall be at his expense. Should the supplier be not able to install and start up without problems, the costs shall be charged to the purchaser.

Art. 3) Consequences of acceptance tests and commissioning and start-up

The buyer forfeits all rights, warranties, actions and exceptions relating to lack of conformity and machine defects which, under diligence, may have been found with the testing or commissioning and start-up of the machinery, unless the defects of conformity of the machinery or the defects in the test report or in the commissioning and start-up report have been specifically challenged in writing, during or immediately after the testing or commissioning and start-up.