

GENERAL CONDITIONS OF SALE

1) GENERAL PROVISIONS

1.1 For the purpose of these general conditions of sale (hereinafter referred to as the "Conditions of Sale"), the following terms shall have the following meanings attributed to them:

- "M.M.": M.M. Srl, with registered office in Modena, Via Raimondo Dalla Costa 110, also referred to as "the Seller";
- "Order(s)": each proposal for the acquisition of the Products sent by "the Customer", also referred to as "the Purchaser", to M.M. exclusively by fax or e-mail;
- "Sale(s)": each sales contract stipulated between M.M. and the Customer further to receipt on the part of the Customer of M.M.'s written acceptance of the Order;
- "Products": the goods produced, assembled and/or sold by M.M.;

2) PURPOSES

2.1 These Sales Conditions apply to all Sales of Products. In the event of a discrepancy between the conditions and terms as per these Conditions of Sale and the conditions and terms agreed upon in a single Sale, the latter shall prevail. M.M. shall not be bound by the Customer's general conditions of purchase (hereinafter referred to as "the GCP"), even in the event that reference is made to them or they are contained in the orders or in any other documentation originating from the Customer, without M.M.'s prior written approval. The GCP shall not be binding on M.M. also by the effect of tacit consent.

2.2 M.M. reserves the right to add, modify or eliminate any provision of these Conditions of Sale, it being understood that such additions, modifications or eliminations shall be applied to all the Sales concluded starting from the thirtieth day after notification to the Customer of the new Conditions of Sale.

3) OFFERS, ORDERS AND SALES

3.1. The quotations and offers issued by M.M. shall remain in force for a period of 30 days from the date of issue, except in the event of a different written confirmation on the part of the Seller. In all events, the Seller reserves the right to cancel or review offer quotations at any moment before the issue of the written confirmation of acceptance of the order.

3.2. The Customer must send M.M. specific Orders containing the description of the Products, the quantity requested, the price and the terms requested for delivery. Any order, order proposal or request of supply in any form sent to the Seller constitutes an irrevocable contract proposal in favour of the Seller for 30 days from the date of receipt, with the Seller being free to accept or not the Order at its own discretion. Any change made verbally or by telephone must be confirmed in writing by the Purchaser. Every proposal received through agents, co-workers or business promoters shall always be considered as subject to the Seller's approval.

3.3. A sale is considered to be concluded: (i) upon the Customer receiving a written confirmation from M.M. (this confirmation may be sent by e-mail, fax or electronic means) conforming to the terms and conditions of the Order (ii) or, in the event the Customer receiving from M.M. a written confirmation containing terms diverging from those contained in the Order, after two working days have elapsed from the date of receipt of the confirmation containing different terms, without M.M. having received a written objection from the Customer; (iii) or, in the absence of M.M.'s written confirmation, upon the Products' delivery to the Customer.

3.4. Orders confirmed by the Seller are irrevocable for the Purchaser once three (3) working days have elapsed from the issue of the order confirmation. This is without prejudice to the Seller's right to request the cancellation of the order under the conditions that shall be proposed at the Seller's discretion.

4) PRICE OF THE PRODUCTS AND TERMS OF PAYMENT

4.1. The prices of the Products shall be those indicated in M.M.'s price list in force when the Order is sent by the Customer, deducting any discount communicated in writing to the Customer by the Sales Management; in the event that the Product is not included in the price list or the price list is not available, the product price shall be that indicated in the Order and confirmed in writing by M.M. upon acceptance of the Order itself. Except for what is otherwise agreed to in writing between the parties, the above prices shall be calculated ex works, net of VAT and discounts. These prices do not include packaging costs, shipment and transport costs from M.M.'s sites to those of the Customer. Such costs shall be incurred separately by the Customer. Taxes, duties, customs fees and any other additional cost are not included in the prices. Except for any exemption, these costs and expenses shall be paid by the Purchaser and if paid by the Seller, their amount shall be invoiced to the Purchaser in addition to the quoted prices. The prices are subject to corrections due to printing errors.

4.2 M.M. shall maintain ownership of the Products until complete payment of their price. The Customer shall carry out all local legal obligations to make this retention of title clause valid and executable with respect to

third parties, including registration in any appropriate register, where locally required.

4.3 M.M. reserves the right to unilaterally modify the prices shown in the price list, without notice and with immediate effect, in the event that adjustment is due to circumstances outside M.M.'s control (merely by way of example: an increase in the price of raw materials and labor costs or changes in the exchange rate). In all events, the modification shall be communicated to the Customer and shall take effect on all Orders received by M.M. starting from the thirtieth day after the date on which the modifications were notified to the Customer.

4.4 Payment of the Net Price indicated in the invoice must be made without any reduction with respect to what is shown in the order confirmation and in the invoice.

4.5 In addition to the other remedies permitted by applicable law or by these General Conditions of Sale, the Seller reserves the right to apply interest in arrears on delayed payments starting from the date on which the Seller becomes entitled to payment, calculated at the official reference rate of the European Central Bank, increased by 7 (seven) points.

4.6 In the event that the Purchaser fails to pay within the agreed terms or according to the methods indicated by the Seller or in the event that the Purchaser's activity is contrary to good faith or breaches specific agreements made between the parties, or causes any damage to the Seller, or in the event that such activity is not carried out in conformity with the ordinary course of business (by which is meant, without any limitation, the issue of sequestration orders or protests, or when payments have been delayed or bankruptcy proceedings are requested or promoted), the Seller has the right, at its own discretion, to suspend or cancel further deliveries and to declare any claim deriving from the business relationship as immediately executable. In addition, the Seller can, in such cases, request advance payments or an escrow.

4.7 In the case of agreed payments in instalments, in the event even only one instalment of the price is not duly paid, the Seller may immediately request the entire price to be paid with operation of the acceleration clause with regards to the Purchaser, even if the conditions as per art. 1186 of the civil code do not apply. Alternatively, the Seller may consider the contract as terminated by virtue of non-performance and hold all the sums so far paid by the Purchaser on account by way of compensation.

4.8 Also in the event of notification of complaints regarding faults and defects, the Purchaser may not start or pursue actions unless it has fully paid the price according to the terms of the contract. Payments, may not, in any case, be suspended or delayed: in the event that disputes arise, relative actions may not be started or pursued if payment of the price according to the established terms and conditions has not first been made.

4.9 In all events, the Seller reserves the right to suspend delivery of the Products if, at its own discretion, the Purchaser's balance sheet position has become such as to make it difficult to receive the accrued receivables.

5) DELIVERY TERMS

5.1 With the exception of what is otherwise agreed to in writing between the parties, M.M. shall deliver the Products EXW - Ex Works at its own premises, as this term is defined in the INCOTERMS 2010 issued by the international Chamber of Commerce in their latest version, in force upon delivery. Further to request, M.M. shall deal with the transport of the Products at the Customer's risk, costs and expense.

5.2 Delivery shall take place within the term indicated in the Order as accepted in the order confirmation or, in the event that the term has not been indicated in the Order, within the term of 60 days starting from the first working day after the confirmation of the individual Order. The delivery terms are indicative only and are not essential terms of the contract as per art. 1457 of the Civil Code and, in all events, do not include transport times.

5.3 Except for what is provided for by article 5.2 above, M.M. shall not be considered as liable for delays or failed delivery attributable to circumstances outside its control, such as, merely by way of example and not in exhaustive terms:

- a) inadequate or imprecise technical data or delays on the part of the Customer in transmitting to M.M. necessary information or data for shipment of the Products;
- b) difficulty in obtaining supplies of raw materials;
- c) problems linked to the production or planning of orders;
- d) total or partial strikes, power failure, natural disasters, measures imposed by public authorities, transport difficulties, events of force majeure, disorders, terrorist attacks and all other events of force majeure;
- e) delays on the part of the shipping agent.

5.4 The occurrence of any of the above events shall not give the Customer the right to request compensation for damages or refunds of any kind.

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- 5.5 The delivery terms are considered as automatically extended:
- a) in the event that the Purchaser does not supply in good time the data necessary for the supply or requests modifications during execution or in the event of delays in responding to requests for approval of executive drawings and diagrams;
 - b) in the event that the Purchaser is not in order with payments;
 - c) in the event that, at the Seller's discretion, the Purchaser's balance sheet situation and/or the sum of amounts payable by the Purchaser has become such as to put receipt of the price at risk.
- 5.6 The Seller reserves the right to reasonably carry out partial deliveries.
- 6) **TRANSPORT**
- 6.1 With the exception of what is otherwise agreed to in writing between the parties, the Purchaser shall arrange for means of transport and is responsible for the availability of the means of transport within the agreed term. The Seller must be immediately informed of any delay. Any resulting cost is borne by the Purchaser. Transport shall always take effect at the Customer's expense and risk. Pursuant to art. 5.1, in the event that M.M. is requested to deal with the transport of the Products, M.M. shall choose the means of transport that it shall deem most appropriate in the absence of Customer's specific instructions.
- 7) **NON-CONFORMITY**
- 7.1 Any defect in the Products delivered to the Customer compared to the type and quantity indicated in the Order must be reported to M.M. in writing within five days from the delivery date. In the event that the fact is not reported within the above term, the delivered Products shall be considered as conforming to those ordered by the Customer.
- 7.2 In the event that the complaint relates to a defect that, despite initial inspection, has remained hidden, the complaint must be made in writing as soon as possible by the end of the working day on which the defect is discovered and, in all events, not later than 2 (two) weeks from receiving delivery of the Products. Further to the Seller's request, the Purchaser accepts to make the contested products available to be inspected; this inspection may be carried out by the Seller or by an expert appointed by the Seller.
- 8) **WARRANTY**
- 8.1 Except in the event of a different written agreement between the parties, M.M. guarantees that "M.M." brand Products are free of faults/defects (with the exclusion of those parts of the Products that are not produced by M.M.) for a period of 24 months from the date of their delivery to/ acquisition by the final Customer (attested by the sales slip).
- With reference to those parts of the Products that are not produced by M.M. (e.g.: combustion engines) the warranty terms of the manufacturers of such Products as indicated in the Instruction Manuals and Documentation attached to them, shall apply. In the event of claims, it is necessary to contact the Service network of the manufacturer in question.
- 8.2 The warranty shall not apply with reference to those Products whose defects are due to (i) damage caused during transport; (ii) negligent or improper use of the Products; (iii) disregard of M.M.'s instructions regarding the operation, maintenance and storage of the Products; (iv) repairs or modifications made by the Customer or by third parties without M.M.'s prior written authorisation, (v) the end of the normal life cycle and normal wear and deterioration derived from use of the product, (vi) use of dirty water or aggressive fluids, freezing conditions, components installed incorrectly, use of non-original spare parts or accessories not complying with M.M.'s specifications, and the use of components not supplied or produced by M.M.
- 8.3 Provided that the Customer's claim is covered by the warranty and is reported according to the terms as per this articles, M.M. undertakes, at its discretion, to repair or replace each Product or the parts thereof that have faults or defects. The components supplied as replacements may be new or serviced. In the event that repair is not possible, M.M. undertakes to replace the defective product with a new one of equal value and/or performance. In no event shall the cost incurred by M.M. exceed the purchase value of the product. All replaced Products or components become the property of M.M.
- 8.4 As part of the warranty obligation, the Seller undertakes to repair or replace the faulty and/or defective product within the limits of this contract without any further obligation of compensation for direct and/or indirect and/or consequential damage deriving to the Purchaser or to third parties from product defects (by way of example, losses of production, damage to objects or persons, etc.).
- 8.5 The Customer must report the presence of faults or defects in writing to M.M., sending an e-mail to mm@mmspray.it; sales@mmspray.it, within 5 days from delivery of the Products in the event of evident faults or defects, or, within 5 days from discovery in the event of hidden faults or defects or not detectable by a person of average diligence.
- 8.6 In the event expressly requested by M.M., the products subject to complaint shall be forwarded, without delay, to M.M.'s factory, or to any other place that the latter shall indicate on each occasion, at the Customer's cost and expense, except in the event of a different agreement between the parties, in order to allow M.M. to carry out any necessary checks. The warranty does not cover damages and/or defects of the Products deriving from anomalies caused by, or connected with, parts assembled/ added directly by the Customer or by the final user.
- 8.7 In all events, the Customer may not take advantage of M.M.'s warranty if the price of the Products has not been paid according to the agreed conditions and terms, also in the event in which failed payment of the price according to the agreed conditions and terms refers to Products other than those for which the Customer intends to make use of the warranty.
- 8.8 M.M. does not recognise any warranty regarding conformity of the Products to the standards and regulations of Countries that do not form part of or do not belong to the European Union. No other warranty, express or implied, such as, by way of example, warranty of proper operation or suitability for a specific purpose, is granted with reference to the Products.
- 8.9 Without prejudice to what is set out in art. 8.3 above, and except in the case of wilful misconduct or gross negligence, M.M. shall not be liable for any damage deriving from and/or connected with faults of the Products. In all events, M.M. shall not be held responsible for indirect or consequential damages of any nature, such as, by way of example, losses deriving from the Customer's inactivity or lost earnings.
- 8.10 In any case, the Customer's right to compensation for damages shall be limited to a maximum amount equal to the value of the Products that have defects or faults.
- 9) **LIMITATION OF LIABILITY**
- 9.1 The Seller shall do everything possible in its power to deliver the Products within the agreed terms, but in no event may it be held liable for damages directly or indirectly caused by the delayed execution of a contract or by the delayed delivery of the Products.
- 9.2 All drawings, photographs, illustrations, descriptions, technical data and performance or any other data and information regarding the Products that are contained in documents or drawings either attached to the Seller's offer or as shown in catalogues, schedules, price lists or the Seller's advertising, are exclusively indicative. Deviations or divergences from the above may not generate reasons or causes for not accepting the goods or invalidate the contract or be a reason for claims against the Seller.
- 10) **INTELLECTUAL PROPERTY RIGHTS**
- 10.1 Intellectual Property Rights are M.M.'s total and exclusive property and their communication or use within the sphere of these Conditions of Sale does not create any right or claim in relation to them with regards to the Customer. The Customer undertakes not to carry out any action incompatible with the ownership of the Intellectual Property Rights.
- 10.2 Any nameplate and/or any other form of identification affixed on the Products sold by the Seller may not be removed without the Seller's written consent. Any alteration and/or modification of trademarks or technical data however affixed or of the plates affixed by the Seller constitutes counterfeiting and unlawful conduct prosecutable by the Seller both against the Purchaser and against third party holders of the Products. In such case, the Purchaser shall forfeit the right to recognition of the product warranty.
- 11) **TERMINATION CLAUSE**
- 11.1 Pursuant to art. 1456 of the Italian Civil Code, M.M. shall have the right to terminate individual Sales in the event of breach of the obligations provided for in articles 4 (Price of the Products and Terms of Payment) and 10 (Intellectual Property Rights) at any time by means of written communication to the Customer.
- 12) **CHANGE IN THE CUSTOMERS BALANCE SHEET POSITION**
- 12.1 On the basis of art. 1461 of the Italian Civil Code, M.M. shall have the right to suspend performance of the obligations deriving from the Sale of the Products in the event that the Customer's balance sheet position becomes such as to put the performance of their obligations at risk, except in the event suitable guarantee has been given.
- 13) **LEGAL DOMICILE, APPLICABLE LAW AND JURISDICTION**
- 13.1 M.M. is legally domiciled at its headquarters.
- 13.2 The Conditions of Sale and every individual Sale shall be regulated and interpreted in compliance with the Italian Law with the exclusion of the Vienna Convention of 1980 regarding international contracts for the sale of moveable assets.
- 13.3 All disputes arising from or connected with these Conditions of Sale and/or with every Sale shall be subject to the exclusive jurisdiction of the Court of Modena.
- 13.4 With the exception of what is set out under art. 13.3, M.M. reserves the right, when the promoter of a legal action as claimant, to promote such actions in the place of residence of the Customer, whether in Italy or abroad.