

GENERAL SALES CONDITIONS

1 – PURPOSE AND SCOPE OF THESE GENERAL SALES CONDITIONS

1.1 – These general sales conditions regulate all current and future contractual and pre-contractual relations between the parties relating to the supply of TotalTest (hereinafter “Supplier”) products. They must be coordinated with any special conditions agreed in writing by the parties or entered in the Supplier’s written order confirmation.

1.2. – Unless specifically approved in writing by the Supplier, any discordant general or special conditions indicated or referred to by the Customer in its communications with the supplier shall be deemed without effect, including if these are subsequent to these general conditions.

2 – CONTRACT LAYOUT

2.1- The supply contract shall be deemed executed following a written order confirmation from the Supplier, at the time the Customer becomes acquainted with such confirmation.

2.2 – After receipt of order, the Supplier shall have 20 days time, during which period the order shall be irrevocable by the Customer, to send notice of acceptance.

2.3 – Nevertheless, if the conditions indicated in the Customer’s order differ from those indicated in the Supplier’s written confirmation, the latter shall be deemed effective as a new proposal and the contract shall be deemed executed when the Customer begins execution thereof or accepts the supplied products without express written reservation.

3 – NOT INCLUDED

3.1 – The prices shall be valid according to the conditions expressly specified in the Supplier’s written confirmation and do not include costs and/or services not expressly mentioned.

3.2 – Unless otherwise agreed upon in writing, the supply shall not include the system project, the installation of the supplied equipment, specific tests other than those indicated in the Supplier’s technical documentation, training workshops, start-up assistance and all the services and costs not mentioned in the Supplier’s written order confirmation, including any drawings. On-site assembly is not included in the supply, unless expressly envisaged.

3.3 – In the same way, packaging costs, taxes, duty stamps, customs costs, duties and all other additional costs are not included in the price, unless otherwise indicated on the Supplier’s written order confirmation.

3.4 - The supply is always and exclusively without the transfer of technology from supplier to customer. The industrial design and intellectual property of the software on the machine are and remain the exclusive property Total Test even when this latter is conceived and produced expressly delegated by the Customer.

4 – TECHNICAL DATA, DRAWINGS AND DOCUMENTS RELATING TO THE SUPPLY

4.1 – The data and illustrations shown in the catalogues, leaflets, circulars or other illustrative documents of the Supplier are of a purely approximate nature and shall not be binding for the Supplier, which disclaims all liability for any discrepancies and/or errors, unless such data are deemed expressly binding on the order confirmation.

4.2 - The weights shall always be indicated by way of information only, excepting the case of supplies the price of which is agreed with explicit reference to weight.

4.3 – The Supplier reserves the right to make any changes to its products which it deems necessary at any time.

4.4 – In the event of the customer proposing technical changes to whatever foreseen by the Supplier in its order confirmation, in order for these to become of mandatory execution, full

written agreement shall exist between the parties on the variations which such changes might produce to the previously-established prices and delivery periods.

4.5 – The Customer expressly undertakes not to make use, for reasons different to those indicated in the supply contract, of any drawings given to it, of technical information and of the solutions relating to the supply, which shall remain the property of the Supplier and which the Customer shall not be entitled to give or disclose to third parties, nor reproduce without written permission.

5 - DELIVERIES

5.1 – Unless otherwise agreed, the supplies shall be deemed for goods delivered Ex Works (EXW Incoterms 2000 for supplies delivered abroad) to the warehouse indicated by the Supplier, without packaging. The Supplier shall be entitled to make partial deliveries or deliveries before the expiry date. In the case of C.O.D. supply payments, or equivalent forms of payment, the Supplier in any case reserves the right to choose the carrier. Packaging is billed at cost and is not returnable.

Any claims made as a result of evident faults (i.e., recognisable at the time of receipt of goods) shall be made in writing within the peremptory term of eight days from receipt.

5.2 – With the delivery of the products to the Customer or to the carrier, the Supplier shall be freed of all delivery obligations and all the risks relating to the goods themselves shall pass to the Customer, even in the case of the Supplier being charged with shipment or on-site assembly. Goods travel at the risk and under the responsibility of the Customer, including when sold carriage free.

5.3 – The delivery terms are not peremptory and are indicated by calendar date.

5.4 – Unless otherwise agreed between the parties, the delivery terms start at the time of the stipulation of the contract, unless the Customer is required to pay part of the price as a down payment, in which case the start of the term shall be suspended until such down payment has been made.

5.5 – The delivery terms shall be deemed adequately extended by law:-

- 1) if the Customer does not provide the details or materials required for the supply in good time or asks for changes to be made with execution in progress or, again, is late in answering a request for approval of drawings or executive diagrams;
- 2) in the case of causes beyond the diligence of the Supplier, including delays by sub-contractors, preventing or making delivery within the established terms excessively costly;
- 3) if payments are not punctually made.

5.6 – In the event of the Customer not being up to date with payments relating to other supplies, the delivery term shall be suspended and the Supplier shall be entitled to postpone deliveries until the Customer has paid the amounts owed.

5.7 – The delivery terms shall be deemed established in favour of the Supplier; consequently the Customer shall not be entitled to refuse to accept the delivery of the products before the established expiry dates

5.8 – Without prejudice to the provisions of art. 11 below, in the case of failure to take delivery of the products by the Customer for a reason attributable to the Customer or, in any case, for reasons beyond the control of the Supplier, the delivery shall be deemed to all effects made by simple notice of goods ready for collection and the Customer shall shoulder all storage risks and costs.

5.9 – Any damage suffered during transport shall be disputed with the Customer's carrier, in the name and in the interest of the Customer.

5.10 – The Supplier shall not be obliged to pay any penalty and/or for any damages, unless otherwise agreed in writing, in the following cases (as well as in other cases expressly contemplated in these general sales conditions):

- if the material has been temporarily replaced by the Supplier with other material taken on loan;

- if the Customer is not ready to receive the material.

6 – TESTS AND VALIDATION

6.1 – On-site assembly and testing, if agreed, shall be performed by the Supplier, always at the charge of the Customer according to the conditions previously agreed in writing.

Any test request must be indicated on the offer request or at the latest on the purchase order.

In the event of the Customer collecting the goods without availing itself of any agreed right of testing in the Supplier's facility, the goods shall be deemed unconditionally accepted as seen and liked, with consequent forfeiture of all warranty rights both for any evident faults and for hidden faults. In case customer missing attendance to the FAT (Factory Acceptance Test) with a partial payment is to be set against declaration of positive FAT compilation without remarks affective machine service.

6.2 – Any special tests indicated on the written order confirmation shall be performed at the expense of the Customer in the facility indicated by the Supplier and at the conditions established by it.

Any test engineers' fees or travel expenses to be charged to the Customer.

Should tests show that the supply does not correspond to the essential characteristics indicated in the contract and the Supplier is unable to fulfil its obligations, it shall be entitled to withdraw from the contract with the sole obligation of taking back any goods already delivered and returning any sums received, without interest, and without the Customer being entitled to claim any indemnities or for any damages.

The Customer undertakes to use the acquired goods only in accordance with the Supplier's operating and maintenance prescriptions and instructions, prescriptions in relation to which it states its awareness, inasmuch as provided upon the simple request of the Customer and in any case available on the website www.totaltest.it

7 - PAYMENTS

7.1 – Unless otherwise agreed, payments shall be made by the Customer within the terms indicated on the written order confirmation to the Supplier's domicile or to the bank indicated by the Supplier. In case of delay, the Customer shall be obliged to pay interest on delayed payment, excepting in any case the Supplier's entitlement to claim for the greater damage suffered and to cancel the contract pursuant to art. 11 below.

7.2 – For no reason and under no circumstances, not even in the case of delays in delivering goods, in assembly or of disputes of any nature, shall the Customer be entitled to defer the payments beyond the agreed expiry dates.

8 - WARRANTY

8.1 – The Supplier guarantees the conformity of the supplied products, meaning by this that these correspond in terms of quantity, characteristics and services to what was expressly indicated by it; it does not on the other hand accept any liability for any faulty operation of the machines or systems made by the Customer or by third parties with the Supplier's products even if the single appliances have been assembled or connected according to diagrams or drawings suggested by the Supplier, unless such diagrams or drawings have been the subject of distinct remuneration, in which case the responsibility of the Supplier shall in any case only be restricted to whatever included in the aforementioned diagrams or drawings.

8.2 – The warranty term is twelve months starting from product delivery, unless the Supplier has expressed the warranty in product work hours on its technical documentation or on the

order confirmation, in which case the warranty term shall coincide with whatever stated by the Supplier. For substitutive component products or component parts, the twelve-month warranty shall start from the day of their replacement, including in the case of the original warranty of the

whole product expiring after the term of twelve months.

8.3 – Within the warranty period, the Supplier, to whom the Customer has reported in writing the existence of hidden defects and/or faults no later than eight days from their discovery, undertakes, according to its decision, to repair or replace, free of charge, the products or parts thereof that are actually defective and/or faulty.

8.4 – The replacements or the repairs are normally done Ex Works: the costs and risks of transport of faulty products shall be to the charge of the Customer.

Nevertheless, if the Supplier, in agreement with the Customer, in accordance with its own undisputable decision, deems it more suitable to carry out the replacement or repair jobs in the Customer's facility, the latter shall sustain the travel and accommodation expenses of the technical personnel put at disposal by the Supplier and shall provide all the means and auxiliary personnel needed to perform the jobs in the quickest and safest way.

8.5 – The warranty shall be invalidated for those products not used in conformity with the Supplier's indications, and if the products have been incorrectly fitted or used, if they have not been adequately serviced, have been modified, repaired or dismantled, including in part, without the authorisation of the Supplier, or outside its workshops or those authorised by it. Furthermore, the Supplier shall not be deemed liable for product conformity defects due to normal wear of those parts which, by their nature, are subject to quick and continuous wear (e.g.: seals, etc.).

8.6 – The labour costs for jobs done under warranty are to the charge of the Customer. Any delays by the Supplier in doing such jobs shall not entitle the Customer to any payment of damages or to any extension of the warranty rights.

Prompt intervention under warranty by the Supplier shall be subject to the observance of the payment conditions by the Customer.

The replaced parts remain the property of the Supplier and shall be returned carriage free by the Customer. All transport operations relating to jobs done under warranty shall be performed under the Customer's responsibility and shall be to the charge of the Customer.

The warranty referred to in this article replaces the warranty provided by law and all other liabilities in any case originating from the supplied products, with the exception of the provisions of article 9 below relating to civil liability for damage caused by faulty products (Product Liability). In none of the cases contemplated in this article, shall the Customer be entitled to ask for the contract to be cancelled, for the price to be reduced or for payment of direct or indirect damages (including those deriving from down times affecting the product, i.e., the Customer's machine or system incorporating the product for the time during which such non-operation lasts).

9 – SUPPLIER'S CIVIL LIABILITY

9.1 – The Supplier shall be responsible for any injuries to people or damage to things caused by faults or defects affecting the supplied product within the limits (of application, amount, etc.) contemplated by its Civil Liability Insurance policy. Similarly, the Supplier shall be responsible for the costs and expenses sustained by the Customer in relation to withdrawal or recall campaigns affecting the products sold by the Supplier or its machines or systems incorporating the products of the Supplier, i.e., within the limits (of application, amount, etc.) indicated in its Civil Liability Insurance policy as regards the part concerning recalls.

10 – RETENTION OF TITLE

10.1 – The Supplier shall maintain the ownership of the supplied products until full payment of the agreed price has been made.

11 – EXPRESS TERMINATION CLAUSE AND TERMINATION CONDITION

11.1 - The supply contract may be legally terminated pursuant to art. 1456 of the Italian civil code, by effect of the simple written statement of the Supplier indicating its intention to avail itself of this express termination clause, in the case of the Customer:-

- 1) failing to make or being late in making payments due by more than 30 days from the agreed expiry date;**
- 2) being late or failing to take the goods into consignment within the terms indicated in art. 5 above;**
- 3) failing to observe the confidentiality obligations indicated in art. 4.**

11.2 – The contract shall be deemed lawfully terminated in the event of the Customer going into liquidation or being subject to any bankruptcy proceedings.

12 – CONVENTIONAL REMISSION

12.1 – In the event of the Customer reducing the guarantees provided, or not providing, within the terms indicated in the contract, the guarantees promised, the Supplier shall be entitled to recede from the contract without any prior notice being required, and without prejudice to its entitlement to claim for any damages suffered.

13 – APPLICABLE LAW

13.1 – The supply contracts executed between the parties shall be governed by the laws of Italy, including when executed with foreign citizens and/or relating to materials supplied abroad.

14 – COMPETENT LAW COURT

14.1 – For any disputes relating to the execution, construal, validity or termination of the supply contracts executed between the parties, whenever action is started by the Customer, the only competent court of law shall be that of the Supplier; in the case of an action started by the Supplier on the other hand, besides that of the Supplier, all other law courts established by the law shall be competent.

Date

Customer

Pursuant to and by the effects of art. 1341 and following articles of the Italian civil code, the following clauses shall be deemed expressly approved: 2.2 irrevocable nature of order; 4.3 modifications to products; 5.2 transfer of risks; 5.3 delivery terms; 5.6 delivery suspension; 5.10 no payment of damages for justified delay; 6.1 warranty invalidation; 6.2 right of withdrawal; 7.2 no deferment of payments; 8.1 limits of liability for use in combination with machines or systems not supplied by the Supplier; 8.2 warranty term; 8.3 remedies under warranty; 8.4 warranty operating procedures; 8.5 warranty invalidation; 8.6 limitations of warranty responsibilities; 9.1 payment limitations for civil liability and in the event of recall; 11.2 termination condition; 12.1 conventional remission; 14.1 competent law court.