

GENERAL SALE U-KU O

1. FIELD OF APPLICATION

1a. The following General Conditions of Sale shall govern all contracts (the Contract/s) entered into between Eutron S.p.A. (the Supplier) and the customer (the Customer) regarding the supply by the Supplier of its products or services (the Product or the Products) and shall supersede any and all other conflicting provisions contained in the Customer's general or individual purchasing conditions forms or documents, even if not expressly contended by the Supplier.

1b. The placement of an order by the Customer or the acceptance by the latter of any offer from the Supplier, even if carried out by implication as a result of the execution of the Contract, shall determine the applicability of these General Conditions of Sale to the Contract.

1c. Any conflicting provisions contained in the Supplier's offer or order confirmation shall prevail over the provisions of these General Conditions of Sale.

1d. The Supplier is entitled to amend these General Conditions by attaching the amendment to its offer, order confirmation or correspondence to the Customer.

1e. Failure by the Supplier to enforce, at any time, any of the provisions of these General Conditions of Sale or to enforce any rights or faculties provided for herein shall not be construed as a waiver of such provision or of the Supplier's right to thereafter enforce each and every provision therein.

1f. In the event that during the execution of any Contract the provisions of these General Conditions of Sale will be declared null and void or contrary to the applicable law, the remaining portions thereof shall continue in full force and effect.

2. OFFER AND ORDER CONFIRMATION

2a. Unless otherwise expressly indicated in the offer, the Supplier's offers shall be valid for 30 days.

2b. Any offer issued by the Supplier at a later date cancels and replaces the previous offer regarding the same Products.

2c. Customer's orders shall be deemed binding upon the Supplier only after receipt by the Customer of the Supplier's order confirmation.

Should the Supplier execute an order before the transmission of its order confirmation, the Contract shall be governed by these General Conditions and shall prevail over any other conditions contained in the Customer's order or elsewhere. Should the order confirmation transmitted by the Supplier contain amendments to the order, such amendments shall be deemed accepted by the Customer after 5 (five) days of receipt thereof unless written notice of disagreement is given by the Customer within the above period.

2d. Supply of the Products shall be exclusively effected as indicated in the order confirmation or, failing the latter, in the offer; any amendments to modifications to the Product characteristics, quantities, prices or terms of delivery shall be agreed with the Supplier and approved in writing by the latter.

3. PRICES AND TERM OF PAYMENT

Prices indicated in the offer and/or in the order confirmation are intended for Products to be delivered Ex Works Supplier's facilities (Incoterms 2010) VAT excluded and net of any further charge, tax, duty, customs duties, cost for transport, insurance and/or special packaging, which shall always be for the Customer's account. In no event shall the prices stated on the offer and/or the order confirmation be binding for subsequent orders.

Should any increase in the costs of workmanship, raw or complementary materials, and/or tax or duties, that may influence or affect the Products price level more than 3% (three per cent) occur during the execution of any Contract, the Supplier shall be entitled to proportionally increase the above-mentioned price.

The Supplier shall also have the right to adjust the prices of the Products, should the Customer request different terms of delivery and/or a lower or higher quantity of Products and/or the requested amendment requires overtime and/or work during the night or holidays.

3b. Should the Supplier verify or become aware that the technical data supplied by the Customer are not correct the Supplier shall be entitled to amend the price of the Products as a consequence of the modified technical data and/or the action to be taken to manufacture the Products.

3c. Payment shall be effected at the Supplier's domicile in the form and in accordance with the terms indicated in the Supplier's offer or order confirmation. The invoice shall be issued at the time of delivery; unless

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otherwise indicated in the offer or order confirmation payment shall be effected within 60 days of invoice date, end of the month.

3d. In case of delay of payment, the Customer shall be bound to pay interest on all outstanding amounts calculated according to Italian Legislative Decree no. 231/2002 and subsequent modifications, starting from the day after the due date.

Delay or non-payment of any sums due by the Customer to the Supplier, even if concerning different contractual relationships, shall entitle the Supplier to: a) suspend the preparation and delivery of the Products contained in the order and/or any other Customer's orders in progress; b) change the conditions of payment; c) terminate the Contract for Customer's cause according to article 1456 of the Italian Civil Code; d) claim compensation for damages caused by delay or non-payment; e) withdraw any Product, delivered to the Customer but left unpaid by the latter; f) retain, as penalty, any amount paid by the Customer, without prejudice to the Supplier's right to claim compensation for further damages.

3e) The above-mentioned Supplier's right to suspend the preparation and delivery of the Products and any orders in progress also apply in case the Supplier, at its own discretion, deems that the Customer may not properly fulfil its obligations.

3f. The Customer shall not be entitled to suspend or delay any payment in case of non-compliance by the Supplier.

4. DELIVERY TERMS

4a. The terms of delivery are indicated in the Supplier's offer and/or order confirmation and are expressed in calendar days. Delivery and the relevant transfer of risks shall always and for all purposes be deemed effected at the Supplier's facilities, when the transport documents are issued, even if the Products shall be transported to the Customer's facilities or to any other named place.

4b. The Products shall always be transported at the Customer's risk even if the transport costs are, in whole or in part, for the Supplier's account and/or the carrier has not been appointed by the Customer.

4c. The terms of delivery are indicative, may be extended and, unless otherwise expressly agreed, shall not be deemed binding for the Supplier. In case of delay in delivery, even if not ascribable to force majeure events, the Customer shall not have the right to terminate the Contract and/or obtain compensation for any damages suffered.

4d. The delay in delivery shall be communicated by the Supplier to the Customer, whenever possible, at least 3 (three) days before the envisaged delivery date and shall not entitle the Customer to terminate the relevant order. Delivery may be made in advance, partially and/or in one or more consignments.

4e. Should the delay in delivery be ascribable to the Customer's actions or omissions the Supplier shall be entitled to extend the delivery terms in order to reasonably take into consideration the circumstances.

4f. Any variation to the Product agreed by the Parties after the conclusion of the Contract or during its execution shall automatically entitle the Supplier to extend the term of delivery for the time reasonably necessary to introduce the agreed modification.

4g. No penalty whatsoever shall be due by the Supplier in case of delay in delivery. Should the parties have previously agreed in writing to a delay penalty, said penalty shall only be applicable in case of the occurrence of the following conditions:

- (1) all payments have been regularly effected by the Customer;
- (2) no amendment has been requested by the Customer during the execution of the Contract;
- (3) Product specifications or drawings forwarded to the Customer were approved by the latter in three days;
- (4) the Customer has effected no request of amendment to the term of delivery or the quantities to be delivered which were not formally accepted in writing by the Supplier.

No penalty shall be due in case of delay due to a force majeure event.

4h. Should the Customer fail to collect the Products upon notice of goods ready for shipment the Supplier shall be entitled at its discretion:

- to invoice the relevant amount on the date of the envisaged delivery and any payment terms shall commence to run therefrom and deposit the Products in its warehouse or in a public depot in the name of and at the expense of the Customer; in this case the Customer, that shall bear all relevant risks regarding the Products, is also obliged to pay, as contribution to storage costs, an amount equal to 1.5% (one point five per cent) of the sale price of the Products for each month of storage and; or
- immediately terminate the Contract.

5. DYNAMIC OF THE DEMAND

5a. The prices and volumes indicated in offers, order confirmations or during the phase in which the annual budget is agreed on are generated by an organisational method of handling demand which requires firm

binding orders of annual lots to be entered by the Customer on the basis of confirmed forecasts, and to be scheduled as open orders or forecasts with call offs.

5b. On the contrary, should demand follow closed order logic, the price lists and delivery terms shall refer to the quantities provided by the Customer during the drafting of the quote and offer.

5c. Overall Lead Time shall be communicated by the Supplier in the order confirmation and may vary with respect to that contained in the offer. Therefore the Supplier reserves the right to confirm any eventual differences between terms of delivery different from those quoted during the offer phase.

5d. Overall Lead Time shall mean the time it takes to complete the entire manufacture process from procurement of raw material to when the production documents are ready and from when the raw materials are collected and put in production until the Products are delivered ex-works.

5e. Management of demand for materials connected to the Customer's orders uses procurement logic consistent with visibility provided by the order book according to ERP management parameters which also take into consideration the time frames required depending on the components and any specific production cycles involved.

5f. It is also understood that the flexibility of demand, meaning variations in volumes during the period set out for the whole forecast period, must be set forth and agreed on by the parties in relation to the parameters indicated by the Customers and expected response time.

The same also applies to any variations made during the call off period, which may not be less than the Production LT (estimated to be 4 weeks) as during said period no variation can be carried out.

5g. Similarly, should management of any eventual seasonal peaks be required resulting in the need to implement emergency stock to be shared with the Customer, the costs shall be quantified by the Supplier.

5h. For open orders, variations to requests made outside the call off period but within a period which is less than the overall LT and/or frequent or consecutive variations for later periods will have to be checked by both parties in relation to the work in progress and any eventual pre-agreed stock. The Supplier shall not be held responsible in any way in any of the above-mentioned cases unless a prior agreement with the Customer has been entered into.

5i. The parties deem that agreement of management methods, predictability and reliability of demand is essential and further agree to set forth agreed Product characteristics such as the level of consolidation via an agreed document to be named the Supply Agreement which shall contain a list of codes for open orders so that the same can be distinguished from closed orders and for which standard procurement times shall be communicated via order confirmations.

5l. Management of any not forecasted order must be agreed upon between the Customer and the Supplier.

6. COMPONENTS

6a. Should any difficulties arise with the procurement of electronic components for a particular production lot, the Supplier shall promptly inform the Customer of the same and, upon the latter's written request, shall endeavour to purchase said components via alternative sales channels. The Customer shall be obliged to authorize in writing, also for technical reasons, the use of any components procured from an alternative source and shall bear all risks as a result of the use of the same. Following receipt of said authorisation, the Supplier shall not bear any responsibility for any eventual malfunction, incompatibility, defect or any other damage deriving from the use of the component/s procured from alternative sources. The Customer acknowledges that said purchase method shall not guarantee fulfilment of the needs until the Supplier, by carrying out acceptance testing, ascertained the function and technical compatibility of the components, without prejudice to the Supplier's non-liability as set forth above.

6b. Should the components purchased by the Supplier be bound by a minimum order quantity (MOQ), which has been previously communicated by the Supplier, the Customer shall be obliged to collect all excess components purchased and exceeding those actually used for manufacture the Products delivered/scheduled within the six months following the date of the last delivery of the components and, in any case, no later than 31st December of the same calendar year.

6c. In reference to the LT for the procurement of components, any eventual components purchased by the Supplier, specifically for use within the Customer's Product, during the time frame needed to guarantee production and in any case in accordance with the data provided by the Customer's forecast, but not covered by (provisional) executive orders shall be deemed purchased in the name and on behalf of the Customer and, in any case, shall be invoiced to the latter by 31st December of the calendar year in which the last delivery was made, should any condition arise which interrupts the supply of products (product phase out, Supplier phase out, changes to the Customer's market demands).

Similarly should any components become obsolete (technical variations, product phase out, end of relationship with the Supplier) the Customer will be obliged to collect the surplus. Finished product stock, work in progress, materials which have been ordered and can not be cancelled and materials kept in stock according to procurement dynamics set forth in the forecasts provided fall within this category.

7. PACKAGING

7a. Prices indicated on the pricelist refer to Products without packaging. The prices indicated in the offer or order confirmation include the costs for standard packaging and protection in order to avoid the damage to the Products under normal conditions of transport and for the agreed destination provided in the relevant Contract.

7b. It is understood that the optimized management of the packaging provides for the identification of a delivery lot, to be indicated in the order confirmation, containing multiple Products packaged together; the above notwithstanding, it is possible to provide identification of lots containing less Products packaged together, upon payment of additional packaging costs.

8. TRANSPORT

Unless otherwise indicated in the order confirmation, the delivery shall in any case be considered "Ex Works" Supplier's facilities (INCOTERMS 2010).

8b. The Supplier shall not be, in any way, liable for any loss or damage to the Products which occurred after the delivery and in no case shall any damage occurred during transport free the Customer from effecting the payments due.

8c. The Products at any titles transported by vehicles of the Supplier are not covered by any insurance policies. In no case shall the Supplier compensate any damages or pay any indemnities whatsoever to the Customer.

8d. Any different delivery terms shall be agreed in writing between the Supplier and the Customer.

9. WARRANTY

9a. Unless otherwise agreed in writing, the Supplier guarantees that Products are free from defects in material and workmanship for a period of 12 months from the date of delivery of the Products.

9b. The warranty shall only cover defects that are ascertained as ascribable to the Supplier.

9c. The Supplier shall not be liable for defects and non-conformity due to wrong or incomplete technical information supplied by the Customer or due to the latter's design error.

9d. The Customer, before starting any commercial or industrial use of the Products and notwithstanding any certification and/or statement granted by the Supplier, shall have the obligation to verify, through adequate technical check proceedings, the conformity of the Products to the applicable laws in force and any contractual agreements. The Customer shall, subpoena of forfeiture of its warranty rights, notify the Supplier of any defects or non-conformity of the Products to the applicable law in force and any contractual agreements within the term of 15 (fifteen) days of their receipt. It is agreed that no warranty whatsoever is granted by the Supplier for defects and non-conformity to the applicable laws in force and any contractual agreements, even if latent, if they are communicated after the expiry of said term and they have been or could have been discovered during said control technical proceedings.

9e. In derogation of the provision contained in article 1745 of the Italian Civil Code any claim made by the Customer shall only be notified to the Supplier by means of recorded delivery letter.

9f. Unless otherwise agreed in writing, the Supplier shall not warrant that the Products are designed for a specific use and, as a consequence thereof, the Customer shall bear any risk and/or liability regarding the use of the Products, whether separately or combined with other products or components.

9g. The warranty shall not apply to Products that have been tampered with or modified without the Supplier's previous consent or are or utilized in a manner that does not conform to the technical specification forwarded by the latter.

9h. Should the Customer receive complaints from its customers for alleged latent defects in the Products, it shall refrain from making any admission, offer or payment and immediately transmit to the Supplier a detailed and strictly confidential report containing a detailed description of the alleged defects and any data necessary to identify the relevant lot, date and place of delivery.

9i. The Customer shall keep the contested Products at the Supplier's disposal for examination, without prejudice to the burden of proof that is always for the Customer's account. The Products shall not be returned to the Supplier without the latter previous authorization. The Supplier shall, within the maximum term of 30 (thirty) days after the receipt of the Customer's report, transmit to the latter its written instructions on action to be taken to settle the matter.

9l. Without prejudice to any liability exemptions provided by this article or any further clause of these General Conditions of Sale, should the Customer timely notify the defects and the Supplier acknowledge the existence

of the claimed defects, the Supplier shall, at its sole discretion, repair or replace the defective Products, free of charge Ex Works Supplier's premises (Incoterms 2010), within the technical time required therefore, or issue a credit note for the amount of the defective Products. Unless otherwise agreed in writing between the Customer and the Supplier, it is hereby expressly excluded any other legal or conventional warranty, intervention or remedy as well as any Supplier's responsibility for loss of profit, further direct, indirect or incidental or consequential damages deriving from the defectiveness and/or non conformity of the Products that, to the extent permitted by law, are hereby expressly excluded and waived by the Customer, unless in case of intent or gross negligence.

9m. The Products sold by the Supplier to the Customer are only destined for the EU market. The Customer shall guarantee that the Products shall not be destined for and, in any case, introduced into, any country which does not belong to the European Union without the Supplier's previous written consent.

10. RETURN

The Products shall only be returned if the Supplier has authorised said return by assigning a Return

Manufacturer Authorization (RMA), that shall be granted at Customer's written request to be effected by

utilising the relevant form.

10b. The Products shall be shipped at the Customer's expense in the original complete packaging to the address to be communicated by the Supplier together with the relevant RMA.

10c. The shipping document regarding the return of Products shall indicate the Return Manufacturer Authorization number and the identification number of the shipping documents of the Products from Supplier to Customer.

The Products returned in inadequate or damaged packaging will be refused.

11. CONFIDENTIALITY

All the Supplier's technical and commercial data and information, including any design, components, samples and processes (jointly the "Information") of which the Customer may become aware by reason of its contractual relationship with the Supplier or in any other way are of a strictly confidential nature.

The Customer, who hereby acts as a guarantor for its/his/her employees and collaborators, shall keep the Information confidential and shall not be entitled to disclose it to third parties nor utilize it for purposes outside the scope of the relationship with the Supplier.

12. FORCE MAJEURE

The Supplier shall not be under liability to the Customer on account of any loss, damage or delay caused by strikes, lock-outs, union agitation, accidents, fire, flood, earthquakes, the elements, regulation or other governmental order, power interruption, lack or delay of delivery by the suppliers, suspension or delay in transport and energy supply, shortage or absence of raw materials, breakdown or downtime, acts of God or any other cause of force majeure beyond its reasonable control.

12b. The Supplier must promptly notify the Customer of the force majeure event that it shall invoke, by further giving the particulars of the invoked event, the consequences deriving therefrom and the foreseeable duration.

12c. The Supplier shall further be entitled to withdraw from the Contract/s entered into with the Customer should the duration of the impediment last for more than 60 (sixty) consecutive days.

13. INTELLECTUAL PROPERTY RIGHTS

13a. The Supplier's trademark, patents and any other intellectual property right belonging to the Supplier shall remain vested in the latter.

13b. The Customer guarantees it is vested with all rights and is entitled to use the intellectual property rights which it requests to be utilized during the manufacture of the Products. The Customer, therefore, undertakes to hold the Supplier harmless from any third parties' claim deriving from or connected with the violation of said intellectual property rights.

15. APPLICABLE LAW AND COMPETENT JURISDICTION

14a. The supply ruled by these General Conditions are governed by the laws of Italy.

14b. Any dispute arising between the parties deriving from or relating to the sale Contracts of the Products as well as construction, execution and validity of said Contracts and these General Conditions shall be submitted to the sole venue of the competent Judge of Bergamo, Italy.

The Customer

The Customer further states and declares to expressly approve, for the purposes and to the extent provided for by Articles 1341 and 1342 of the Italian Civil Code, the provisions contained in the following articles: 1b (implicit acceptance of these General Condition), 2c (implicit acceptance of the amendments to the order), 3a (price adjustment), 3d (consequences of payment delays) 4c (limitation of responsibility for delay), 4h (fail or delay to collect), 6a (warranty limitation) 9a, 9c, 9d, 9e, 9f, 9h, 9i, 9l, 9m (warranty limitation or exclusion), 14 (Competent jurisdiction) of these General Conditions.

The Customer
