

These General Conditions of Supply (hereafter the "Conditions of Supply") regulate and govern the supplies of products of FAULHABER Italia S.R.L. (hereafter "FAULHABER") and the connected orders, order confirmations and agreements between FAULHABER and the relevant purchaser (hereafter the "Purchaser"). FAULHABER supplies products solely subject to FAULHABER's written order confirmation and the Conditions of Supply. Acceptance of the Purchaser's order does not mean that FAULHABER recognizes the Purchaser's standard terms and conditions, which differ from the Conditions of Supply. By carrying out the order and accepting the products supplied by FAULHABER, the Purchaser confirms its consent to the following conditions. Moreover, FAULHABER requires the Purchaser to specifically approve the Conditions of Supply, also for the purposes of Sections 1341 and 1342 of the Italian Civil Code. The Conditions of Supply apply even if FAULHABER, in the knowledge that the conditions of the Purchaser either contradict or deviate from FAULHABER's Conditions of Supply, execute the order without reservation. Any derogations from the Conditions of Supply shall be binding on FAULHABER only if, and to the extent, confirmed by FAULHABER in writing and only in respect of the offers and/or orders to which they apply. With respect to the other offers and/or orders, the Conditions of Supply shall remain in full force and effect.

1. Price

1.1. FAULHABER's prices are ex works, excluding statutory value-added tax (IVA) and packaging.

1.2. Invoices shall be due for payment within 30 days after receipt of the invoice, net. Bills of exchange shall only be accepted as payment subject to a separate agreement; discounts and expenses shall be charged at the customary bank rate. If the invoice has not been paid by the due date, the Purchaser is in default with payment and FAULHABER can claim default interest and damage caused by such default, unless the Purchaser bears no fault for this. If the time of receipt of the invoice is unclear, the Purchaser shall be in default no later than 40 days after the date of the invoice. If the Purchaser is in default with the payment, FAULHABER is entitled to demand default interest of 8% points above the reference basis rate of interest applied by the ECB (European Central Bank) on the most recent main refinancing operations. Pursuant to Section 6 of D.Lgs. 9-10-2002 n. 231, FAULHABER is entitled to claim costs of collection and additional damage. FAULHABER will claim unjustified deduction of discount or default interest.

1.3. The Purchaser is not entitled to set off FAULHABER's claims or assert a right of retention, unless the Purchaser's claims are undisputed or have been declared final and absolute by a court.

2. Delivery Time

2.1. Delivery times stated in the order or in the order confirmation shall be estimates only. In no event shall such delivery times be deemed to be firm dates, unless expressly agreed otherwise by FAULHABER in writing. FAULHABER shall at all times be entitled to deliver the Products to the Purchaser prior to the delivery date stated. If a delivery time has been agreed upon, this shall commence on the date of FAULHABER's order confirmation. FAULHABER shall be bound to observe the delivery time, only on the condition that the following pre-requisites area all fulfilled: (i) timely receipt of the documents to be provided by the Purchaser and of any necessary permits and/or releases; (ii) timely clarification and approval from the Purchaser of the plans; (iii) the Purchaser's compliance with the agreed terms of payment and other obligations. If these prerequisites are not fulfilled in time, the relevant deadline will be extended by a reasonable period. The delivery date shall be deemed to have been met if, by this date, the products have left FAULHABER's premises or the products are ready for dispatch and the Purchaser has been notified accordingly.

2.2. The delivery time shall be extended by a reasonable period should circumstances occur which are due to force majeure. This includes strikes and lock-outs, even if these occur at FAULHABER's sub-suppliers.

2.3. If unforeseen occurrences within the meaning of Clause 2.2 last longer than 3 months each party shall be entitled to withdraw from the agreement ("recedere dal contratto") with a notice period of two weeks. As an alternative, FAULHABER may adjust the agreement based on the additional costs incurred and/or the changes needed in the products to be delivered and/or in the delivery times as a consequence of the force majeure event.

2.4. In the event of an amendment of the agreement pursuant to Clause 2.3, the Purchaser shall be entitled to withdraw from the agreement within a period of 5 working days after receipt of notification of the amendment.

2.5. If a party intends to withdraw from the agreement it shall inform the other party without undue delay after gaining knowledge of the implications of the event, even if an extension to the delivery period had been agreed initially.

2.6. The provisions regarding any excessive supervening onerousness ("eccessiva onerosità sopravvenuta", (Sections 1467 and following of the Italian Civil Code) remain applicable and unaffected hereby.

2.7. The Purchaser is entitled to terminate the agreement in case of late delivery, pursuant to Section 1454 of the Italian Civil Code, only with reference to the delivery for which FAULHABER is in default, and if a reasonable grace period set by the Purchaser, combined with threat of termination, has expired without results. In such event, subject to the provisions of Clause 4, claims for compensation of the Purchaser are expressly excluded.

2.8. Should it become apparent that delays are likely, the Purchaser will be notified by FAULHABER as soon as possible.

2.9. At FAULHABER's request, the Purchaser shall state within a reasonable period whether it intends to withdraw from the agreement owing to the delay in delivery or insist on supply.

2.10. For freight-free shipments the risk shall also pass to the Purchaser on dispatch or collection of the shipment. Partial shipments are permissible.

2.11. Except in the event of FAULHABER's gross negligence or willful misconduct, FAULHABER's liability to the Purchaser in connection with any delay shall be limited to a maximum of 5% of the value of the shipment concerned.

3. Retention of Title

3.1. Without prejudice to the provisions of Clause 2.10, in respect of transfer of risk, title to the delivered products shall not pass to the Purchaser until the Purchaser has performed its payment obligations under the agreement underlying the delivery, including damages, costs, interest and penalties, if any, even if security for payment has been provided (hereafter such products shall be referred to as the "Reserved Products"). The Purchaser is revocably entitled to sell on the Reserved Products supplied in the context of normal business. In such event, the Purchaser hereby assigns to us all claims, including ancillary rights, to which it is entitled by virtue of selling the Reserved Products on. FAULHABER accepts such assignment. The claims assigned shall serve as security for all claims hereunder. The Purchaser is not authorized to make other disposals over the Reserved Products, in particular to pledge or transfer by way of security. If the Purchaser is in default with its payment obligations towards FAULHABER or if the Purchaser infringes one of the obligations arising from the agreed reservation of title, the balance of the debt shall become due for payment immediately. After setting a reasonable deadline for performance, FAULHABER is entitled to terminate the agreement and demand that the Reserved Products be surrendered and to collect these from the Purchaser. The Purchaser has no right of possession in such case.

3.2. The Purchaser is permitted to process or transform the Reserved Products and mix or combine these with other items. Processing or transformation shall be carried out on behalf of FAULHABER. FAULHABER will become the direct owner of the item produced as a result of such processing or transformation. The processed or transformed items shall be deemed to be Reserved Products. If the Reserved Products are processed or transformed with other merchandise which is not the property of the Purchaser, FAULHABER shall have joint ownership in the resultant new product in the ratio of the value of the processed or transformed Reserved Products to the value of other processed or transformed items at the time of processing or transformation.

3.3. The Purchaser shall treat the Reserved Products with care; in particular the Purchaser shall insure the Reserved Products sufficiently against fire, water and theft at reinstatement value at its own cost.

3.4. In the event of a seizure or other interventions by third parties, the Purchaser shall notify FAULHABER without delay to enable FAULHABER to promptly initiate legal proceedings aimed at protecting FAULHABER's rights.

4. Liability for Defects, Damages, Limitation of Liability

4.1. The Purchaser shall inspect the products received as well as the packaging without undue delay on arrival for defects, guaranteed quality and/or possible irregularities, shortages and/or damages. Any recognizable defects in the products shall be notified to us immediately, and in any case no later than within eight days after receipt, latent defects shall be reported in writing no later than within eight days after discovery. Otherwise the products shall be deemed to have been accepted.

4.2. In case of a complaint, the Purchaser shall provide FAULHABER with an opportunity to investigate the complaint; in particular, the Purchaser shall make damaged products and the packaging available to FAULHABER for inspection. If the Purchaser fails to comply with this requirement, FAULHABER shall be released from liability during the period when the Purchaser fails to comply and for a reasonable period thereafter. In urgent cases only, i.e. where operational safety is at risk and to avert disproportionately high damage, which shall be reported to FAULHABER immediately, the Purchaser shall be entitled to remedy the defect itself or have it remedied by third parties and to demand reimbursement of the necessary costs from FAULHABER.

4.3. FAULHABER is obliged to repair or replace – at FAULHABER's own discretion – defective products at FAULHABER's own expense within a reasonable period set by the Purchaser. Products which have been replaced are FAULHABER's own property and shall be returned to FAULHABER. If repair or replacement are not possible or do not take place or fail for other reasons before expiry of the deadlines set by the Purchaser, the Purchaser may within the framework of statutory regulations at its own discretion terminate the agreement concerning supply of the defective products or demand a reduction in the purchase price.

4.4. To the extent that the complaint is justified, FAULHABER shall bear the costs of the part replacement, including shipment. Before returning defective products to FAULHABER, the Purchaser shall remove these products at its own expense.

4.5. Any other costs incurred by the Purchaser shall be borne by the Purchaser itself. Necessary assembly and travel expenses incurred in connection with unjustified complaints regarding defects shall be borne by the Purchaser, unless the lack of defect was not recognizable for the Purchaser. FAULHABER shall not bear liability for damage caused by any modifications or repair work improperly carried out by the Purchaser or third parties.

4.6. FAULHABER shall not be liable for damage to products caused by natural wear and tear, ageing, unsuitable or incorrect use or use which does not comply with designated contractual use, excessive use or improper modification, improvement or repair work by the Purchaser or third parties, or by faulty or negligent treatment, as far as they are not FAULHABER's fault.

4.7. Subject to Clause 4.9 below: (i) FAULHABER's entire liability to the Purchaser shall be limited to performance of FAULHABER's obligations as described in Clauses 4.1 to 4.6; (ii) in no event shall FAULHABER be liable for any damage as a result of use of the products by the Purchaser or by third parties, unless due to willful misconduct or gross negligence for which FAULHABER is liable; (iii) FAULHABER's liability for indirect damage, consequential damage, non-material damage, trading loss or environmental damage, including lost turnover and profit, losses incurred, loss of market share, stagnation in production, investments made, goodwill acquired, damage to reputation, etc., is also expressly excluded.

4.8. Subject to Clause 4.9 below, if and to the extent that, despite the provisions of Clauses 4.6 and 4.7 above, FAULHABER is still liable on any basis whatsoever, such liability shall be limited to the amount of the net invoice value of the products that caused the damage, provided that FAULHABER's liability shall at all times be limited to a maximum amount of EUR 250,000 (in words: two hundred and fifty thousand euros) per each agreement.

4.9. No provision of the Conditions of Supply shall have the effect to exclude and/or limit either party's liability for willful misconduct and/or gross negligence and/or in other cases in which such party's liability cannot be excluded due to mandatory provisions of applicable law.

5. Amendment to the agreement

FAULHABER reserves the right to adjust its prices reasonably even after the conclusion of an agreement regulated by these Conditions of Supply. Cost reductions or cost increases occur due to collective bargaining agreements or changes in material costs. FAULHABER will provide evidence of such changes to the Purchaser on request. This shall not apply during the first four months after conclusion of the agreement.

6. Time-Barring

All claims for defects by the Purchaser shall become time-barred one year after delivery of the products to the Purchaser. The limitation period shall be one year from delivery or performance for replacement products and repairs. This shall have no effect on provisions regarding a shorter life of the products in the context of their designated use.

7. Copyright, Industrial Property Rights

7.1. FAULHABER shall be the exclusive owner of all intellectual and industrial property rights in the products, packing, user instructions and any other material supplied by FAULHABER, that can be enforced, and/or may be obtained in connection with the products, packing, user instructions and any other material supplied by FAULHABER. The Purchaser shall not be entitled to use the packing and/or user instructions or material without FAULHABER's express written consent.

7.2. The Purchaser shall promptly and specifically notify FAULHABER of any infringement of FAULHABER's intellectual property rights, of any nature whatsoever that may come to its knowledge. Furthermore, the Purchaser shall indemnify FAULHABER against any claims because of any form of infringement of the said rights and compensate FAULHABER for any damage as a result of any infringement. In the event of alleged or actual infringement, FAULHABER shall immediately be entitled to suspend performance of all or part of the agreement with the Purchaser or terminate such agreement forthwith.

8. Jurisdiction, Applicable Law, General

8.1. The Conditions of Supply and any order, order confirmation and/or agreement regulated by the Conditions of Supply shall be governed by and construed in accordance with the laws of the Republic of Italy, with the exclusion of the Convention on International Sales of Goods 1980.

8.2. Any dispute arising from or in any way connected with the Conditions of Supply and/or any order, order confirmation and/or agreement regulated by the Conditions of Supply shall be submitted to the exclusive jurisdiction and competence of the Courts of Milan, Italy.

8.3. If any provision of these conditions of supply is or should become invalid, this shall not affect the validity of the remaining provisions. The parties shall replace the invalid provisions with a provision which reflects as closely as possible the economic purpose of the original provision.

Approved and accepted by the Purchaser:

Print name

Signature

Title

Date

Pursuant to and in accordance with Articles 1341 and 1342 of the Italian Civil Code the Purchaser declares to have read, understood and expressly accepts the content of the following Clauses: 1.3 (under Clause 1. Price); 2.1, 2.3, 2.7, 2.9, 2.10, 2.11 (under Clause 2. Delivery Time); 3.1 and 3.2 (under Clause 3. Retention of Title); 4.1, 4.2, 4.3, 4.5, 4.6, 4.7, 4.8 (under Clause 4. Liability for Defects, Damages, Limitation of Liability); 6 (Time-barring); 8.1, 8.2 and 8.3 (Jurisdiction, Applicable Law, General)

Print name

Signature

Title

Date