



GENERAL CONDITION OF SALE

1 – Purpose

The general conditions contained herein govern all present or future sales contracts between the parties, unless otherwise agreed to in writing. The Buyer's general conditions will not apply unless express written approval is given. The relationships referred to in these general conditions do not imply the granting to the buyer of any kind of exclusive right, nor do they create any agency or distributorship agreement with or without representation, nor do they give the buyer the right to use FLAM GAS s.r.l. logos or brand names in any way, including construction drawings, technical specification and design data.

2 – Contractual regulations

All contracts covered by these general conditions are governed by Italian Law and, for international contracts, by the Vienna Convention on international sales contracts of 11th April 1980. Any trade terminology used (EXW, FOB, CIF, etc.), refers to the Incoterms 2000 of the International Chamber of Commerce.

3 – Supply

In case of regular supplies, considered that FLAM GAS s.r.l. is specialized on the manufacturing of products to design specific request of the buyer, the latter one except serious non-fulfillment cases imputable to Flam Gas s.r.l., or due to force majeure, to not interrupt suddenly the purchases, ensuring Flam Gas s.r.l. a regularity of orders in terms of quantity and frequency.

It is implied that to ensure acceptable costs, continuity and delivery terms some construction details have to be managed by warehouse stocks. Therefore, regardless of the order management (closed or forecast) before making changes or variants, the latter must be agreed with FLAM GAS s.r.l., which will assess the stock on the basis of which will offer different options (scrapping with or without charge, processing of recovery, while stocks last).

This condition must be interpreted according to rationality and good-faith standards.

For all items that will not be ordered within five years, FLAM GAS will put in a position of freezing the production tooling and equipment. In case of new order after five years, the customer shall pay FLAM GAS costs incurred for the retrieval of tooling and equipment.

Upon receipt of the order, FLAM GAS s.r.l. reserves the right to evaluate whether the amount of the order exceeds the minimum billing limit allowed by FLAM GAS s.r.l. The buyer has the right to accept this limit, cancel the order or agree with FLAM GAS s.r.l. a different payment method.

4 – Contract formation

The Buyer's acceptance, in whatever form it may be made, of FLAM GAS s.r.l. quotations or order confirmations entails the application of these general conditions to the sales contract, even when acceptance takes place by means of execution of the contract. Quotations made by agents, representatives and dealers are not binding until confirmed by FLAM GAS s.r.l.

5 – Samples drawings and technical documentation

The weights, dimensions, finishing, prices and other data provided in FLAM GAS s.r.l. catalogues, price lists or other illustrative material and the characteristics of the samples sent to the Buyer, are to be considered approximate indications only. These data are not binding unless explicitly mentioned in FLAM GAS s.r.l. quotations or order confirmations. Any drawing or technical document referring to the products given to the Buyer, be it prior or subsequent to a contract, remains the exclusive property of FLAM GAS s.r.l.

The abovementioned drawings and material may not be used by the Buyer, nor may they be



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copied, reproduced, transmitted or communicated to third parties unless authorised to do so in writing by FLAM GAS s.r.l.

6 – Industrial property – Confidentiality

Given that the technology relevant to the products manufactured by FLAM GAS s.r.l. is property of said company, the Buyer undertakes to refrain from manufacturing goods that are partial or total reproductions of those supplied by FLAM GAS s.r.l., either directly or through third parties.

The property of the technology associated to such products will remain with FLAM GAS s.r.l. and may not be used in any way by the Buyer. The Buyer undertakes not to disclose to third parties, or however to use, even after expiry of the contract, commercial or company secrets or any confidential information of which it may come into possession in during the commercial relationship with FLAM GAS s.r.l.

7 – Warranty

7.1 – Product conformity

FLAM GAS s.r.l. guarantees product conformity; the term product conformity means that products must correspond in quantity, quality and type to what has been agreed and that they must be free from defects that could make them unsuitable for the use to which they are intended.

7.2 – Reporting of non-conformity

It is the Buyer's responsibility to verify product conformity.

Are not considered defects the results from finishing processes for electroplating (chrome or nickel) as subject to mutations caused by environmental conditions and the state of the raw materials.

The Buyer's has to verify the absence of faults and defects, according to the following in order for the warranty to be valid:

- a) complaints concerning the nonconformity of products with regards to quantity or type, must be lodged within 15 days from for sales within the European Union and 75 days from delivery for sales outside the European Union;
- b) complaints concerning evident or hidden defects, that can be detected following sample controls and compulsory testing such as those to which assembled products must be subject, must be lodged within 4 months from delivery;
- c) complaints concerning hidden defects not detectable in the abovementioned testing/checking activities must be made within 4 months from the putting into operation of the assembled product, albeit not more than 12 months from date of delivery. Complaints must be made in writing, addressed to FLAM GAS s.r.l. and must include detailed description of the defects or non-conformities detected. This warranty will not apply should the Buyer refuse to allow any reasonable check requested by FLAM GAS s.r.l. or if, once FLAM GAS s.r.l. has requested the return of the defective products at its own expense, the Buyer fails to return them within a short time from the request.

7.3 – Remedies

Should FLAM GAS s.r.l. be found responsible for defects or non-conformities, in agreement with the purchaser, within a reasonable period considering the entity of the complaint, could upon agreement with the Buyer:

- a) to supply the Buyer free of charge, EXW, products of the same type and quantity as the faulty or nonconforming ones. FLAM GAS s.r.l. may, in this case, demand the return of the defective products, which will then become its property;
- b) to repair the defective products at its own expense, either locally or on its own premises;
- c) to credit the Buyer a sum equal to the value of the defective or non-conforming products. FLAM GAS s.r.l. may, in this case, demand the return of the defective products, which will then become



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its property. In the event of the remedies under a) or b) a new term of warranty, having the same duration as the original one, shall commence.

7.4 – Extension of warranty

The product warranty covers product faults due to faulty design, material or manufacture that can be attributed to FLAM GAS s.r.l. and does not apply in the case of the Buyer having repaired or altered the products without FLAM GAS s.r.l.'s authorization.

FLAM GAS s.r.l. may not be held responsible for product faults or nonconformity deriving from any design, projects, information, documentations, indications, instructions, materials, semi-processed goods, components that are supplied, indicated or requested by the Buyer or third parties acting on the Buyer's behalf in any capacity. The warranty does not include the replacement of parts usually subject to wear.

7.5 – Liability

Should FLAM GAS s.r.l. provide the Buyer or third parties with replacement parts for products declared to be faulty prior to the examination of said products by FLAM GAS s.r.l., this action is to be considered as the implementation of FLAM GAS s.r.l.'s Customer Satisfaction policy, and must not, in any case, be considered as acknowledgement of fault. The characteristics of the products supplied are conform to technical specifications that make it possible to obtain the approvals indicated in FLAM GAS s.r.l.'s technical commercial material; any requests for products manufactured according to different technical specifications must be the object of a specific request from the Buyer and accompanied within a short period of time by the relevant reference documentation. FLAM GAS s.r.l. guarantees the performance of the products it manufactures only in relation to the uses, destinations, applications, tolerance, capacities, etc., expressly indicated. Should the Buyer resell the products, it will be its responsibility to inform its clients of the relevant indications. With the exception of gross negligence or deceit by FLAM GAS s.r.l., compensation for any damage to the Buyer may not exceed the invoice price of the disputed products. On expiry of the warranty, no further claims can be made to FLAM GAS s.r.l.

8 – Delivery

8.1 – Incoterms

Unless otherwise agreed, product delivery shall be EXW.

8.2 – Risk transfer

The risks for products are transferred to the Buyer when the products leave FLAM GAS s.r.l. premises, unless otherwise agreed. If the Buyer does not collect the products within the agreed date of delivery for reasons other than FLAM GAS s.r.l.'s negligence or deceit, should the risk not have been transferred under the previous clause, the risk is transferred to the Buyer on the originally agreed date of delivery at the latest. FLAM GAS s.r.l. will in any way not be held responsible for product perishing or damage occurring after the risk transfer.

The Buyer is in no case released from the obligation to pay the full price when product perishing or damage occurs after the risk transfer.

8.3 – FLAM GAS s.r.l.'s obligation to deliver the products

The terms of delivery are intended as approximate in FLAM GAS s.r.l.'s favour and as granting a reasonable term of grace. FLAM GAS s.r.l. will in any way not be held responsible for any damage deriving from early, late or - totally or partially - failed delivery.



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9 – Payment

9.1 – Prices and payment

The prices of the products will be those contained in the pricelist in force at the time of order. FLAM GAS s.r.l. may periodically review its pricelists in accordance with variations in the costs of manpower, raw materials, components and general expenses. In any case, whilst a pricelist is valid, FLAM GAS s.r.l. may decide to review product prices in view of any exceptional and unforeseeable increases.

9.2 – Delays in Payment

FLAM GAS s.r.l. has the right - starting from the payment deadline, without notice - to apply interests for delay as per art. 5 of Legislative Decree no. 231 of the 9/10/2002. The Buyer may not contest any FLAM GAS s.r.l. non-fulfilment unless all due payments have been paid. The Buyer may not set off any of its credits with FLAM GAS s.r.l.'s.

10 – Conclusion of relationship

Should the products supplied have any particular features made specifically for the Buyer, on termination of the relationship with FLAM GAS s.r.l. for any reason, the Buyer undertakes to purchase products manufactured or under manufacturing process which are in FLAM GAS s.r.l.'s stocks and provided that this stock is a reasonable quantity on the basis of the supplies carried out in the previous periods; regardless of whether this type of closed orders or order forecast.

11 – Retention of title

In the event that payment must be partially or totally made after delivery, the delivered products remain property of FLAM GAS s.r.l. until the full agreed price has been paid.

12 – Interpretation, amendments, invalid clauses

Any reference to price lists, general conditions or other material belonging to FLAM GAS s.r.l. or third parties refers to documents in force at the time reference is made. Any amendment or integration made by the parties to contracts to which these general conditions apply must be made in writing, in order to be valid. The non-application of one or more provisions of these general conditions is not to be interpreted extensively or by analogy and does not implicate the will not to apply the general conditions as a whole.

13 – Disputes

For any controversy arising out or in connection with the contracts to which these general conditions apply the only competent Court is the Court of Brescia, Italy. FLAM GAS s.r.l. will, in any case, have the possibility to act before the Court having jurisdiction over the Buyer's place of business.