

## **GENERAL CONDITIONS OF SALE**

### **1. Purpose and scope.**

These general conditions govern all current and future supply contracts between the Parties (i.e. supplies of products manufactured with raw material purchased from the Seller, or with raw material supplied by the Buyer), except for any exceptions specifically agreed in writing between Brawo and the Buyer. Any general purchase conditions of the Buyer shall not find any application in future commercial relations between the Parties, unless such conditions are expressly accepted in writing by Brawo.

### **2. Contractual regulation**

All the contracts governed by these General Conditions are ruled by the Italian law and in particular by its regulations and by the United Nations Convention on contracts for the International Sales of Goods (CISG; the Vienna convention) of April 11 1980.

### **3. Contract formation.**

The Buyer's acceptance of the offer submitted by Brawo or the order confirmation made by Brawo implies the application of these General Sales Conditions to the sale contract. If Brawo's order confirmation contains modifications compared with the order, the modifications will be considered tacitly accepted by Buyer following three working days from receipt of the order confirmation without buyer expressing his disapproval in writing. Offers made by the Brawo's sales agents and representatives are not binding for Brawo unless confirmed by Brawo.

### **4. Technical standards, data, drawings, changes**

Brawo shall adhere to the legislation and the technical standards in force in Italy for everything concerning the product characteristics. Buyer fully assumes the risk of any differences between the Italian laws and those of the country of destination of the product. The sizes, prices, colors and other information shown in the catalogues, price lists or other Brawo's illustrative documents and the characteristics of the samples sent by Brawo to the Buyer are only binding to the extent to which they are expressly mentioned as such in Brawo's offer or in Brawo's order confirmation to Buyer. Any drawing or technical document referring to the products sent to the Buyer, remain the exclusive property of Brawo and cannot be used by the Buyer or copied, reproduced or sent to other without Brawo's acknowledgment and approval. Due to the continuous technical evolution, as well as to Brawo's own production requirements, Brawo, at any time, and also without express authorization by Buyer has the right to make all the modifications that Brawo, at its discretion, deems appropriate for the product's improvement, giving notice to the Buyer.

### **5. Workmanship on raw materials supplied by Buyer.**

In the case of workmanship on raw materials supplied by the Buyer, if such raw materials result to be defective or unusable after starting the production, the Buyer shall indemnify Brawo for the costs incurred by Brawo for such processing. In the case of non-conforming workmanship on material supplied by the Buyer, Brawo shall not be entitled to compensation for the work performed. Brawo shall have no liability or charges of any kind for the loss of material processed except in the event of gross negligence. Whenever the execution of the workmanship or processing of the raw material is unfeasible, Buyer shall indemnify Brawo for all the expenses incurred for such work. Buyer shall not be entitled to any indemnify for any rejects or missing quantities concerning the ordered products or the raw materials delivered by the Buyer should the extent of the same be included within the 10% of the pieces/Kg ordered. The Buyer commits himself to collect any pieces/Kg in excess of the ordered quantity.

If the Buyer suspends or cancels the orders, the Buyer shall pay to Brawo:

- a) The cost of the workmanship and of the materials used, calculated pro rata in relation to the progress of the order. The goods will remain at Buyer's disposal;
- b) Any greater costs deriving from the Buyer's non-fulfilment, plus 10% of the difference between the order total amount and the amount previously referred to in the above letter a).

If the Buyer fails to fulfil his obligations or in the case of delayed or missing payment for any supply, Brawo is entitled to claim credit satisfaction on the Buyer's materials that for any reason are still on Brawo's premises. Brawo therefore is entitled to withhold the materials or to re-sell them at current market price to the extent of compensating its credits or to safeguard its own rights differently. In the case of stocks of raw material supplied by the Buyer, and only for tax purposes, after 24 months from the last order of products to be realized with such stock of raw material, every contractual relationship will be considered ceased and the inventories / stocks of material will be accounted for or settled by Brawo taking into account the agreed metal yields.

The weight of the materials accepted by Brawo should be the weight ascertained at the receipt of such materials at Brawo's plant. Any disputes about weight differences must be resolved directly between the Buyer and the carrier responsible for the transport. The metal yield values established for each contract / order based on the type and quality of the raw material provided by the Buyer are determined in consideration of the loss and scrap associated with the conversion of the same, therefore, they do not constitute surpluses.

### **6. Prices and Payments.**

The agreed prices do not include VAT. If not otherwise agreed upon between the Parties deliveries shall be EXW Brawo warehouse (Incoterms 2010). The agreed price is the price indicated in Brawo's offer/order confirmation.

Brawo has the right, from the invoices due date, to apply interests calculated according to the Legislative Decree n. 192/November 9th 2012, of the Legislative Decree n. 1/January 24th 2012 and of Legislative Decree n.51/May 5<sup>th</sup> 2015. Moreover, in said hypothesis Brawo has the right to suspend the supplies until the overdue amounts are paid. Buyer has not right to suspend payments, eve in case of complaints about the products supplied. Should the payment occur – in full or partially – after the delivery of the products, the products remain of Brawo's property until the full payment of the products by Buyer is made.

### **7. Orders and deliveries.**

Orders are accepted by Brawo through formal order confirmation only if these have been formally sent to Brawo in

writings. Notwithstanding the provisions of Part III, Chapter IV, of the CISG, the risks concerning the supply are passed to the Buyer at the moment in which the products leave Brawo's plant at the latest, unless the commercial term of the applicable regulations establish an earlier moment. In no event shall Brawo be responsible for the deterioration or damaging of the products after the transfer of the risks. Under no circumstances, the Buyer is freed from the obligation to pay the price if the deterioration or damage to the products takes place after the transfer of the risks. The delivery terms are approximate in favor of Brawo and, in any case, with a reasonable period of tolerance. Brawo shall not be responsible for indirect and/or consequential damages arising from or related to a late or missing delivery, either for the total or partial delivery of the products.

#### **8. Warranty.**

Brawo warrants exclusively that the Products sold are in compliance with the sample, the technical specifications of the Buyer accepted by Brawo and are free from defects in workmanship and in material – if material is supplied by Brawo. Brawo's warranty is limited to defects in the products resulting from defects in material or workmanship exclusively attributable to Brawo and does not apply if the defect or non-conformity depends from failure, omissions or defects contained in the technical specification provided by Buyer to Brawo and/or generically, in any instructions and/or requests provided by the Buyer. In no case Brawo guarantees the conformity of the products with respect to the use of the same even if such uses are known by Brawo.

The warranty also does not apply in the event that: i) the Buyer does not prove that he has made a correct use, maintenance and storage of the products; ii) the Buyer modified or repaired the products without the consent of Brawo; iii) the Buyer removed or replaced parts or pieces from the products and IV) any traceability reference of the products (such as the serial number, production identification number or datecode and/or delivery dates) has been modified, removed or cancelled. The warranty period is limited to 24 months from the date of the delivery, and is subject to written claim made by the Buyer as follows:

- (a) Complaints concerning quantity or non-conformity faults and defects that the Buyer could detect immediately on arrival of the goods must be made no later than 8 working days from the receipt of the goods. Claims made after such a period may enter into prescription. For any visible damage of the packaging of the Products at the time of delivery, the notification must be made strictly on the transport documents, at the time of delivery of such Products.
- (b) Hidden faults, defects or non-conformities must be reported within 8 working days from the discovery and, anyway, no later than 24 months from the delivery date. Claims made after such a period may enter into prescription.

Complaints must be made by registered letter; fax or e-mail addressed to Brawo and shall provide details regarding the defects or non-compliance of the products.

Should product be faulty following regular reports from Buyer, Brawo, within a reasonable period of time, depending on the quantity in question, may at his choice:

- a) Supply Buyer free of charge EXW (Incoterms 2010) products of the same kind and quantity as those proved to be faulty or non-conforming to those agreed; Brawo may in this case require the return at Brawo's expense of the faulty products, which become Brawo's property; or (b) agree with the Buyer to repair the faulty products at Brawo's expense, these repairs to be carried out on site or at Brawo's plans, at Brawo sole choice; (c) credit Buyer with a sum corresponding to the value of the faulty or non-conforming pieces against the return of said pieces to Brawo.

The returned products DDP (Incoterms 2010) Brawo's plant remain Brawo's property.

The Buyer loses the warranty if, having Brawo made a request for the return of defective products, the Buyer fails to return them within 10 days from the request.

Products cannot be returned to Brawo without written authorization from the latter. If the Buyer returns goods to Brawo without having received written authorization, Brawo is entitled to refuse the delivery and return the goods to the Buyer on Buyer's own expense.

The Buyer loses his right to the warranty in case of delay or lack of payments due to Brawo.

The warranties set forth in this section 8 are in lieu of all other warranties, express, implied or provided by any applicable law, and all other warranties, including but not limited to the implied warranties of merchantability and fitness for a particular purpose, are expressly disclaimed. In no event shall Brawo be liable to buyer under any theory of tort, contract, strict liability or other legal or equitable theory for indirect, consequential, special, incidental, or punitive damages. Where, due to the law, consequential or incidental damages cannot be excluded, such damages are expressly limited in amount at the purchase price of the products. Brawo's sole liability under warranty to Buyer in connection with the Products sold and buyer's sole remedy shall be as spelled out in this section 8.

#### **9. Product liability.**

For any damage to persons or property arising out of or resulting from any product liability matter, Brawo will exclusively answer within the limits, terms and conditions of the product liability insurance policy held by Brawo. A copy of the mentioned current policy is available to the Buyer upon request.

#### **10. Disputes.**

The laws of Italy shall exclusively apply. All disputes arising from or in connection with the contracts to which these general conditions apply should finally and exclusively be settled by the Court having jurisdiction over the Brawo's headquarters.

#### **11. Language.**

These General Conditions are originally in English. In case of controversy between the English version of Brawo's general conditions of sales and the translations into other languages, the English version prevails.