

GENERAL SALES CONDITIONS – LA LEONESSA S.P.A. (With subscription)

1. Definitions

When used in these General Conditions of Sale, the following words shall have the meaning set forth below:

- Seller: LA LEONESSA S.P.A.;
- Purchaser: the purchaser of the Products;
- Parties: Seller and Purchaser jointly considered;
- Product/s: the subject-matter of the sales agreement between Purchaser and Seller, as described in the sales Contract or in the Offer;
- Order(s): form with which the Purchaser declares to the Seller its intention to purchase the Products;
- Offer(s): form with which the Seller declares to the Purchaser its intention to sell one Product or more.
- Sales Contract(s): every contract or succeeding agreement or modification and/or integration thereof, between the Parties;
- Instruction of use: the instruction of assembling, use and maintenance that the Seller may attach to the Product;
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2. Applications of the general conditions

- These General Conditions of Sale shall apply to all Contracts or Orders in which the Seller represents the supplier and shall prevail over all general conditions of sale or contract of the Purchaser, both considered singularly or jointly.
- Should be a commercial agreement and/or a specific sales contract in effect between the Parties, these General Conditions of Sales shall amend all the previous agreements and/or sales contract of the Product between Seller and Purchaser.
- All information and data included in the *brochures*, price lists or internet website of the Seller will be binding only if expressly stated in the Contract and/or in the Offer.

3. Offer, Order and Contracts

- The Offer constitutes a revocable proposal – valid for the days indicated in the Offer – by the Seller and formalises the negotiated agreements previously undertaken by the Parties.
- The Order constitutes the acceptance by the Purchaser of the conditions set out in the Offer and is deemed rejected, unless otherwise agreed by the Parties, if it contradicts in some of the terms included in the Offer, being, in compliance with Article 1326 c.c. of the Italian Civil Code, a new proposal subject to the issue of a new offer by the Seller.
- The requisites that qualify the Offer are: price; term of validity of the offer; characteristics of the product; quantity; type of packaging; means and conditions of transport; destination; accompanying documents.
- The Contracts and and/or Orders and any related additions or amendments shall be in a written form and shall be sent using a data transmission system or any such other means normally used by the Parties (e.g. courier, mail, telex, facsimile, etc.).
- Any additions or amendments to the Contracts and/or Orders carried out by the Purchaser shall only be effective if accepted in writing by the Seller.
- The Seller shall supply the product in conformity with the law and/or regulation different from the place of production only to the extent that the Purchaser informed Seller of such different law and/or regulation prior to the Offer.

4. Delivery

- Unless otherwise agreed by the Parties, the delivery shall be carried out by the date specified in the offer or within the number of business days from the date of the order as indicated in the offer, ex works (EXW – INCOTERMS 2000 ICC, Paris) – loaded on departing vehicle at the Seller’s premises, in Carpenedolo (Brescia), Italy, Viale S. Maria 90. The product risks will be transferred to the Purchaser at the moment of delivery at the premises of the Seller.
- The Purchaser must carefully comply with any instructions, provided by the Seller, regarding the transport of the purchased Products.
- Unless otherwise agreed by the parties, partial deliveries are allowed.
- The terms of delivery are not binding and the Seller shall not be liable for late or missing deliveries caused by Force Majeure or for any event beyond the control of the Seller.
- Unless otherwise agreed, all the relevant documents of transport shall be sent with each shipment.
- In case the Purchaser is beforehand aware of its inability to comply with the agreed terms of delivery, it shall inform the Seller in writing of the reasons thereof and it shall provide with a reasonable period in which it believes to be able to receive the goods.
- In any event, if the Purchaser does not accept the goods within fifteen (15) days from the date of delivery originally agreed, the Seller shall reserve the right to seek compensation for the delay in delivery as a liquidated damage as well as any further damage caused.

5. Packaging

- The products shall be packaged by the Seller in accordance with the standards set out by Seller. Unless otherwise indicated the cost of packaging shall normally be excluded from the price of the Products.
- In any case, any request of special packaging, that Seller is able to accomplish, shall be borne by the Purchaser.
- The Seller shall not be liable for any damage caused to the Products due to the special packaging performed in accordance with the characteristics provided by the Purchaser.

6. Price

- The Seller shall apply the price agreed upon in writing and/or set out in the Order and/or in the Contract; the price is net of VAT (“Value Added Tax”) of twenty-two percent (22%) and shall not include costs for transport, insurance, tax, custom duties, etc., as well as any other item explicitly set out in the Order Confirmation.
- If the price is not set out in the Offer, the price is that usually charged for the Product by the Seller.
- In no event, a claim or objection shall give to the Purchaser the right to delay or omit the payment or to reduce the price.

7. Retention of title

- In accordance with art. 1523 c.c. of the Italian Civil Code, the Products bought by the Purchaser shall remain property of the Seller until the price is not entirely paid. However, since the delivery, all the risks due to the perishment experimentation or any damage of the Products shall be transferred to the Purchaser. The latter shall take care of the Products with utmost diligence and make appropriate use of them in accordance with the instructions set out.

8. Invoicing and Payment

- The Seller shall issue an invoice based on the price agreed upon in writing and/or set out in the Order, the payment shall be made at the delivery or according to the terms set forth into the Offer.
- Unless otherwise agreed by the Parties, the payment shall be made within the agreed expiry date.
- In case of delays in the payments, the Purchaser shall pay interest at the rate of zero-point-five percent (0,5%) for every month of delay.

9. Duties of the Purchaser

- The Purchaser shall have all the facilities and means necessary for the correct use of the Products, it shall know its features and it shall have complete and adequate knowledge and technological capability for their correct use.
- The Purchaser warrants to observe the prescriptions set out in the Instructions Manual as well as those provided by the Seller
- Moreover, the Purchaser, in the execution of this Contract, shall comply with and respect all the local rules and regulations, including the best commercial practices fair trade rules; it shall have to indemnify and hold harmless the Seller from all direct or indirect damages, borne by the Seller as result of any breach of the above regulations carried out by the Purchaser.
- If the Purchaser does not comply with the obligations provided by the two previous paragraphs, it shall be bound to withdraw the ordered Products and those in delivery as well as pay the relevant delivery cost.

10. Instructions Manual

- The Instructions Manual shall be attached to the Products as well as any other technical documentation that is deemed useful for the knowledge of the Purchaser.
- In absence of such Instructions Manual, the Purchaser shall use the Product exclusively in accordance with the indications provided by the Seller as well as according to the good sense.

11. Seller's Warranties

- The Seller warrants the proper functioning of the Products for a period of twelve (12) months from the date of delivery. Any defects must be notified immediately to the Seller in writing; said communication shall include a detailed description of the revealed defects and must be received by the Seller within eight (8) days from the date of delivery of the Product. Any late claims will not be considered and have no effect on the Seller.
- The liability of the Seller shall be limited to those defects related to the Seller's manufacturing or any such defects derived from its direct responsibility; The Seller shall not be liable for any material and/or parts of Products that have not been manufactured by Seller or for any damage caused by not acquainted use at the acceptance of the Order.
- The Seller shall not be liable for any damage due to the use of the Products and/or for any event that may occur, to the Purchaser even if depending from the Product supplied, and/or where Seller has no control of, or that in any case, may not be considered solely and directly responsibility (e.g. suspension of the car, loss of production, loss of profit, etc.) of the Seller.
- The Purchaser may not claim for the warranty provided by Seller if it:
 - does not execute competently the operations and/or installations according to the required standards; and/or
 - executes directly or by third parties, without prior written consent of the Seller, reparations, replacements, modifications, or any other intervention to the Products; and/or
 - does not comply with the prescriptions, Instruction Manual, and indications provided by the Seller regarding the correct use and regular maintenance of the Products.
- The Purchaser must store the assumed defective Product in an adequate place and must put it at Seller's disposal for the necessary verification.
- In any case, the Purchaser, must immediately stop using of the assumed defective Product from the discovery of the defects; moreover, it must do all is necessary to reduce or not worsen assumed defect or the potential suffered damages.
- Lack of sending written claim or complaint regarding a defective Product within the agreed terms indicated above and/or use of the Product by the Purchaser notwithstanding the discovered defects means that it has unconditionally accepted the Product and renounces to any claim or complaint.
- Unless otherwise agreed, the Purchaser shall bear all the costs, taxes and duties related to the transport and import duties for the return of the defective Products.
- The present warranty excludes any other right or claim of damage and additional costs.

12. Force Majeure

- The Seller is not responsible for delays in the deliveries or for its non-fulfillment caused directly or indirectly by:
 - force majeure events (including but not limited to legal prohibitions, wars, revolts, revolutions, strikes or other labor disputes, fires, flooding, sabotages, nuclear accidents, earthquakes, storms, epidemics);
 - events out of its control of the Seller that do not allow to find labor force, materials, primary products, components, installations, energy, oil, means of transportation, authorizations or governmental dispositions.
- The Seller shall promptly notify in writing the end of the force majeure event.
- In the event that delays or non-fulfillment are verified to be excusable under this Article, the Seller shall notify them to the Purchaser as soon as possible and provide with the next date of delivery. In case of delays due to Force Majeure, the terms of delivery will be automatically extended for a period of time equal to the time lost by the Seller due to the delay.

13. Liabilities and Indemnities

- Subject to provisions under Art. 11 of this Agreement, the Seller shall not be liable for damages caused by the Purchaser to third Parties and/or to the Products, neither for damages caused by products manufactured by the purchaser using the Seller's products
- The Seller shall not be liable for any damage and/or anomalies concerning the use of the Products if the Purchaser has not comply with the Instruction Manual as well as the instructions provided by Seller.
- If the Seller incurs in the above said responsibilities towards third Parties, the Purchaser shall indemnify and hold the Seller harmless from any responsibility.
- If a third Party claims damages from the Purchaser, the latter shall immediately give a written communication the Seller.
- Whether, for what so ever reason, the Purchaser has the right to claim compensation for damages from the Seller, the Purchaser shall make all best endeavors to limit the damages or losses and not withstanding any other provision:
 - a . such claim will be limited to direct losses that could have been reasonably predicted as natural consequence given the circumstances at the moment of the stipulation of the contract and the finalization of the Order;
 - b. the total responsibility of the Seller may not exceed the sales price of the Product;
 - c. the Seller will not be liable towards the Purchaser for any indirect, consequential or incidental costs, losses or damage, including but not limited to any loss of profit, increase in costs for the use and installation of the Products, decrease of efficiency or increase in expenses of any nature.

14 Drawings and Documents

- All the technical drawings, documents, specifications, illustrations, and all the other information relating to the Product and its manufacturing sent by the Seller shall be used only for the purposes for which they have been sent, unless authorized in writing by the Seller itself, for example for the use and the maintenance of the Product.

15 Intellectual Property

- The sales of the product to the Purchaser does not grant the Purchaser with any brand or patent license, or any other Industrial or Intellectual Property right.
- All information, technical standards, specifications and procedures provided by the Seller are exclusive property of the latter. No brand license or patent license, or other Industrial or Intellectual Property right, related to the provided technical specifications and know-how, is granted to the Buyer with the signature of this Contract.
- At the termination of the commercial relationship between the Parties or of the execution of this contract, the Purchaser shall promptly return to the Seller all the information, documents and the technical specifications to the Seller deemed as private and/or confidential information.

16. Termination Clause

- According to the art. 1456 of the Italian Civil Code, the Sales Contract shall be legally deemed terminated, with a previous written notice from the Seller, except for exercising the rights to seek compensation for damages, if the Purchaser:
 - does not make a payment; or delays it for a period equal to or higher than (2) two months.
 - does not accept the Products, after thirty (30) days from the notice that the Products are ready;
 - does not immediately stop to use or to install the assumed defective products.

17. Safety Rules

- The products have been manufactured in respect of the Italian governing law on safety.
- The Purchaser is fully responsible for the lack of information to the Seller on the security and healthcare laws in force in the Country in which the Product will be used and to which the Product must be in conformity with.
- The Purchaser shall pay the potential costs necessary to conform the Product to the laws of the Country in which the Product will be used.

18. Confidentiality

- The Parties shall keep all Confidential Information strictly confidential and shall not disclose confidential information received from the other Party concerning the company and/or in relation to its activity, which was disclosed in relation to and/or during the execution of this Contract and/or of the Orders.
- The representatives, consultants, auxiliaries, agents, and any third party that cooperate with each Party in the undertaking of its business, will be subject to the confidentiality provisions set forth in this paragraph.
- The information provided by the Seller to the Purchaser, that are defined as confidential or may be reasonably considered as confidential, may be disclosed to the extent strictly necessary for the execution of the contracts and/or Orders. The Purchaser must request their employees, agents or other intermediaries, to which is necessary to disclose such confidential information, not to use such information for purposes other than those provided above.
- The provisions of this Article will remain in effect during the contractual relationship even after the termination of the Contract and/or the Order for a period of two (2) years, independently from the reason of the termination of the relationship.

19. Privacy

- According to the Italian Law D. Lgs. 196/2003, the Seller informs that: a) the Purchaser's data will be treated and/or communicated to third parties (for example. banks, external consultants etc...) for the execution of the agreements, according to the above mentioned Law; b) The Client has the faculty to exercise the rights granted by Art. 13 of the above mentioned law and attached hereto in (Annex.1).

20. Governing law and language

- To the extent not expressly governed by these General Conditions of Sale or by specific sales contract, it shall apply the Italian law.
- All disputes, arising out the application of these General Conditions of Sale or concerning the construction of each contracts of sale, will be governed by the Italian Law.
- The Italian language governs these General Conditions, in spite of any translation in other languages. In case of a discrepancy between the Italian text and the translation, the Parties agree that the Italian text shall prevail on the other one and it will be the official document used in order to interpret these General Conditions of Sale.
- The Parties hereby agree that the provisions of the International Sale of Goods Convention of the United Nations (CISG 1980, Wien) shall not be applicable.

21. Jurisdiction

- All disputes arising out this contract of sale and relative to the validity, interpretation, execution and resolution, shall be referred to the Court of Brescia (Italy).

THE PURCHASER (La Leonessa S.p.A.)

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THE SELLER

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In compliance with Article 1341 of the Italian Civil Code, the Purchaser specifically approves the following clauses: 5.3 (Special packaging), 6.3 (No right to omit payment), 9 (Duties of the purchaser), 11 (Seller's warranties), 12 (Force majeure), 13 (Liabilities), 16 (Termination Clause), 17 (Safety Rules), 18 (Confidentiality), 20 (Applicable law and language), 21 (Jurisdiction).

THE PURCHASER

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DATE

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