



TERMS AND CONDITIONS

Art. 1 Scope of application

The Terms and Conditions govern all supply relations between the parties. Even in the event of derogations agreed in writing these conditions will continue to apply for any parts not expressly varied. The Buyer's terms and conditions shall not apply to the relations between the parties unless expressly agreed in writing by Manifattura Tubi Gomma S.p.A. (MTG S.p.A.) and in any event they shall not invalidate these Terms and Conditions, with which they must be consistent.

Art. 2 Formation of contract. Right of termination of MTG S.p.A.

The Buyer's acceptance of the offer or confirmation of the order by MTG S.p.A. will result in the application of these Terms and Conditions. Offers made by agents of MTG S.p.A. and offers of sale made by MTG S.p.A. shall be valid for the period indicated in the offer. Otherwise they shall be valid for 30 days with effect from the date of the order.

MTG S.p.A. may withdraw from the contract if there are changes in the control of the Buyer's corporate structure, or if its company is placed into liquidation or subject to any form of insolvency or pre-insolvency proceedings.

Art. 3 Characteristics of the goods

MTG S.p.A. products conform to the laws and technical standards in force in the European Union. Therefore, the Buyer is responsible for verifying any discrepancies between the laws of the European Union and those in the non-European country to which the products are sent, and shall indemnify MTG S.p.A. in this regard.

MTG S.p.A. provides a warranty for the products only in relation to the use, destination, application and tolerance expressly indicated.

MTG S.p.A. provides no guarantee that the goods are fit or suitable for the specific use indicated by the Buyer, nor does it accept any responsibility for any application or operation in which the goods may be used by the Buyer or by its customers.

The proper use of the goods is the responsibility of the Buyer who must follow the specifications indicated by MTG S.p.A. in the technical specification sheets for the products, contained in its catalogues or price lists.

Art. 4 Patents

MTG S.p.A. shall indemnify the Buyer with regard to all liability deriving from any legitimate third-party claim relating to possible counterfeiting or infringements of industrial property rights, for the products supplied by MTG S.p.A.. If a claim is made by a third party, the Buyer must promptly inform MTG S.p.A. and must provide all the information and assistance necessary to challenge the claim.

The foregoing shall not apply to any product manufactured according to a drawing, design, instructions or technical specifications supplied by the Buyer, for which MTG S.p.A. shall accept no liability whatsoever for any infringement of third party industrial property rights, for which the Buyer shall have sole responsibility.

Art. 5 Delivery of the goods

Unless agreed otherwise, the Products shall always be supplied Ex Works (EXW Incoterms 2010), and therefore the risks of the supply shall transfer to the Buyer when the products are made available to it at the warehouse, not Customs-cleared and not loaded onto the delivery vehicle. The terms of delivery are purely indicative and calculated in terms of working days. MTG S.p.A. shall make efforts to meet the agreed delivery date, which may not in any circumstances be considered of the essence.

If the Buyer is not up-to-date with payments, even if they relate to other supplies, the delivery period shall be suspended, and MTG S.p.A. may delay its deliveries until the Buyer has paid the sums outstanding.

On the quantity delivered, the Buyer shall allow MTG S.p.A. the positive or negative tolerance levels indicated at the time of the offer, or in the order confirmation by MTG.

If, for reasons not attributable to MTG S.p.A., the Buyer or the carrier designated by the Buyer does not accept the products, MTG S.p.A., after informing the Buyer of the final date for collection, may store the products and shall charge the Buyer for all the related storage costs.

Art. 6 Justifiable delays

MTG S.p.A. shall not be responsible for failure to fulfil its contractual obligations to the extent that such non-fulfilment derives directly or indirectly from:

- reasons beyond its control and/or events of force majeure;
- actions or omissions by the Buyer including failure to provide the information or approval necessary for MTG S.p.A. to continue with its work and deliver the products;
- the Buyer's failure to comply with the payment terms;
- the impossibility of obtaining the materials and components necessary to produce the goods.

Should one of the above circumstances arise, MTG S.p.A. shall inform the Buyer together with details of the length of the delay, and the new delivery date. If the delay by MTG S.p.A. is caused by actions or omissions of the Buyer or by work carried out by the Buyer's contractors or suppliers, MTG S.p.A. shall also have the right to a fair adjustment of the price.

Art. 7 Prices and payments

The prices of the products are those indicated in the offer or confirmation of order by MTG and are based on the price list in force at the time the offer was accepted by the Buyer, or at the time that the order confirmation was issued by MTG S.p.A. If the price list is revised upwards after the Buyer has sent the supply order, MTG S.p.A. will send the order confirmation with the new prices, and the Buyer shall have 7 days within which to accept. The prices shall always be Ex Works (EXW Incoterms 2010), unless agreed otherwise between the parties.

Payments must be made in accordance with the contents of the offer or confirmation of order. Payments and any other sums due to MTG S.p.A. for any reason must be sent to the address of that company. Any payments made to agents of MTG S.p.A. shall be deemed not made and therefore they shall not release the Buyer from its obligation until the sums are received by MTG S.p.A. itself.

Unless agreed otherwise, payments shall be made in euros.

Any delays or irregularities in the payments shall give MTG S.p.A. the right to:

- suspend the supplies even if they do not relate to the payment in question;
- change the method of payment and discount on subsequent supplies, also by requesting advance payment or the issue of additional guarantees;
- request, with effect from the expiry dates for payment and without the need for formal notice of default, late payment interest on any sums outstanding, at the rate stipulated in the laws currently in force with regard to commercial transactions (in particular, legislative decree 231/2002 as amended);

Further, in the event that even a single instalment is not paid, MTG S.p.A. may inform the Buyer that it has lost the right to pay by instalments and any sums due for any reason shall be immediately due and payable.

Art. 8 Reservation of title

The products shall remain the property of MTG S.p.A. until paid for in full.

Art. 9 Warranty

MTG S.p.A. warrants that the products supplied will be of the same type and quality as those described in the contract. The warranty for construction defects is limited to defects linked to flaws in the materials or to design and manufacturing issues attributable to MTG S.p.A.. The warranty does not cover defects due to normal wear and tear in parts that are subject to rapid or continuous use, or due to improper use by the Buyer and its customers.

The products will only be covered by the warranty if paid for in full. Unless agreed otherwise in writing, the warranty will last for 12 months from the date of delivery.

The warranty is operative on condition that:

- the products have been stored correctly in accordance with the "Guidelines on the selection, storage, use and maintenance of flexible rubber tubing" issued by Assogomma;
- the products have been used in accordance with the technical specifications supplied by MTG S.p.A.;
- no repairs, modifications or alterations have been carried out without the prior written authorisation of MTG S.p.A.;
- defects were not caused by chemical or electrical agents.

The Buyer must check the products' conformity, and the absence of defects within 8 (eight) days from the date of delivery, and in any event before they are used. Any flaws or defects must be reported in writing no more than 8 (eight) days from discovery and in any event not after the warranty period. In any case the Buyer must suspend use of the tubing, to avoid causing more damage. Complaints must be submitted in accordance with the instructions and complaints procedure of MTG S.p.A., with full details of the defect or non-conformity. The Buyer will lose the right to claim under warranty if it does not allow MTG S.p.A. to carry out reasonable checks or fails to return the defective products within 10 days from being asked to do so. If the Buyer's complaint is valid, MTG S.p.A. may: a) repair the defective products, if repairable; b) supply, free of charge to the Buyer's address, (DAP Incoterms 2010) products of the same type and quantity as the defective products; c) issue a credit note to the Buyer to the value of the returned products as stated on the invoice. In such cases MTG S.p.A. may ask for the defective products to be returned, and shall retain title to them. Unless agreed otherwise between the Parties, it is agreed that all the costs of the technical assistance will be paid by MTG S.p.A..

If the defects in the products are not attributable to MTG S.p.A., the cost of repair and replacement will be calculated and billed to the Buyer. The warranty includes and replaces the legal warranty for defects and excludes any other liability of MTG S.p.A. deriving from the products supplied. In particular, if the complaint is not made promptly, the Buyer may not make any claim for compensation for damages, and under no circumstances may MTG S.p.A. be held liable for indirect or consequential losses.

Art. 10 Non-disclosure

The Buyer agrees to treat the information, drawings, know-how and documents received from MTG S.p.A. as confidential and will only use them for purposes related to fulfilment of the contract. The above provisions do not apply to information that is already in the public domain or became public not as a result of disclosure by the Buyer, its staff or collaborators, information that was in the Buyer's possession before it was received from MTG S.p.A. or was disclosed by a source that is not subject to the restrictions imposed on the Buyer, or which may be disclosed to a third party on the basis of the written authorisation of MTG S.p.A.

Art. 11 Specifications sheets

The Buyer should note that the working life of rubber tubing may vary, depending on use. The systems and equipment to which the tubing is to be fitted must be designed securely, and the Buyer or its customers are the only parties responsible for the final choice of product. Inappropriate product choices and the failure to observe the "Guidelines on the selection, storage, use and maintenance of flexible rubber tubing" issued by Assogomma for the use, maintenance and storage may result in breakage of the tubing, and injury or damage to persons or property. The Buyer and its customers must observe the instructions in the specifications, which must be read and analysed by personnel with adequate technical knowledge.

Art. 12 Governing law and forum

These terms and conditions, and the related supply contracts, are governed by the laws of Italy. The court of Vicenza shall have sole jurisdiction in relation to any disputes.

Grisignano di Zocco, 4 January 2016

Manifattura Tubi Gomma S.p.A.

Buyer

In accordance with Art. 1341 Civil Code and following the Parties hereby approve the following clauses: Art 2 Formation of contract. Right of withdrawal of MTG S.p.A.; Art. 3 Characteristics of the goods; Art. 4 Delivery of goods; Art. 5 Justifiable delays; Art. 6 Prices and payments; Art. 8 Warranty; Art. 11 Governing law and Forum.

Grisignano di Zocco, 4 January 2016

Manifattura Tubi Gomma S.p.A.

Buyer