



## **GENERAL TERMS OF BUSINESS AND DELIVERY**

The present order proposal submitted by the Client to AG FILTRI s.r.l. is irrevocable and binding on the Client in the event that the Sale Contract is entered into the following conditions governing delivery of the merchandise and relations between the parties shall apply.

### **1) SALE CONTRACT**

1.1 Pursuant to Article 1329 of the Italian Civil Code. The present purchase proposal shall be deemed to be irrevocable. More precisely, it shall be regarded as firm and irrevocable throughout the period that AG FILTRI normally requires for acceptance or refusal of same, and, in any case, for a period of at least sixty days from date of notification to AG FILTRI. Any alterations to order proposal shall not be binding unless approved by AG FILTRI in writing.

1.2 AG FILTRI shall have the right to either accept or reject the order proposal. Order shall be considered as approved either by means of the so-called written "order confirmation" sent by AG FILTRI to the Client or, alternatively, by fulfillment of the order, even if only partially. Any obligations undertaken by AG FILTRI's business agents and/or by any other person not legally representing AG FILTRI shall not in any way be binding on the latter.

### **2) TITLE**

2.1. The merchandise shall be supplied by AG FILTRI to the Client on the understanding that it shall become the property of the Client only upon full payment of its price and of all incidental expenses. In the event that Client fails to pay a portion of the price equal to more than 1/8 (one eighth) of the full amount due. AG FILTRI shall have the right to terminate the contract without further notice and/or placing the Client in default. In this event, AG FILTRI shall also be entitled to demand immediate return of the goods which have already been delivered but not yet paid out by Client according to the terms herein, as well as to withhold by way of indemnity all payments already collected and to claim compensation of damage.

2.2. The Client agrees that it shall not raise any objections whatsoever aimed at refusing and/or delaying return of the unpaid merchandise. The Client shall, however, have the right to raise objections and to have its claims recognized only after having remitted payment in full of the agreed upon price of the entire delivery.

### **3) DELIVERY - TERMS**

3.1. AG FILTRI declines any responsibilities in relation to delivery being deemed to have been effected when goods are taken over by the carrier and/or forwarding agent on AG FILTRI premises. All risks arising from deterioration, breakdown and/or loss of the merchandise in transit shall therefore be borne by the Client. Goods shall be delivered on a carriage forward basis. All freight charges shall therefore be solely and exclusively to the Client's account.

3.2. AG FILTRI shall be at liberty to make partial shipments in case of part of the goods against the order being available in stock and/or ready for delivery. In this event, the Client agrees to make payment, limited to the goods actually delivered to it, on due dates.

3.3. AG FILTRI shall have the right to terminate or withdraw from the contract at any time, even in case of contract having already been partially fulfilled, in the event of not being able to ensure delivery of all the merchandise that is the subject of the contract. In this case, the Client shall not be entitled to any indemnity and/or compensation of damage, and shall here and forthwith forgo any claim against AG FILTRI to this effect.

3.4. Delivery dates, where specified, shall be understood as merely indicative and not binding. They shall be deemed to be binding only if agreed upon in writing in a separate document signed by the legal representative of AG FILTRI at the time of the order. AG FILTRI shall be granted tolerance of sixty days in delivery beyond the agreed upon date. AG FILTRI shall be regarded as having fully complied with its obligations upon having made the goods subject of the contract available to the Client on AG FILTRI premises according to the provisions laid down in Clause 1 above and within the delivery dates specified above.

3.5. The delivery terms normally respected as much as possible, have to be considered delayed in case of:

- a) Causes not directly of AG Filtri's responsibility or for force mayor
- b) Impossibility to obtain raw material or only difficulty to get it.
- c) Causes as workers strikes or transport companies strikes.
- d) Unfulfilled payment from the client. Neither money claim nor interest rate and interest as account money could be claimed.

### **4) PRICES/PAYMENTS**

4.1. It is understood that prices quoted by AG FILTRI. shall not include packing charges, freight, insurance, duties or any other incidental costs and expenses.

4.2. The client hereby authorizes AG FILTRI. to adjust prices to take account of any increase in the cost of materials and labor, fluctuations in currency exchange rates or any other factor that may affect the final price of the goods. In the event of price increase being greater than 20% of the agreed price, AG FILTRI shall duly inform the Client thereof. In which case the Client shall have the right to withdraw from the contract but shall not be entitled to claim for any compensation and/or indemnity.

4.3. All payments shall be made without failure by Client on maturity. In the event that Client fails to make payment on due dates, it shall automatically be placed in default without any prior notice and/or formal injunction being served upon it. In this case, Client shall agree to pay AG FILTRI overdue interests at the rate charged by banks to primary clients (so-called "prime rate") increased by seven points.

4.4. In the event Client fails to pay in part or in full the agreed price on due dates, AG FILTRI shall have the right to stop deliveries, to forgo fulfillment of its obligations and to terminate the contract by right without prior notice or injunction, subject to a compensation for any damage thereto.

4.5. It is understood that AG FILTRI. shall be entitled to suspend and/or refuse shipment of the goods subject of the contract in full or part in the event that Client is deemed, in the sole judgement of AG FILTRI, to be or to risk becoming insolvent.

4.6. The Client hereby waives all rights to rise against AG FILTRI any objections aimed at refusing and/or delaying payment of the agreed upon price for the merchandise subject of the contract. The Client furthermore waives the right to undertake legal action of any kind against AG FILTRI until full settlement of contract price and incidental costs.

4.7. All payments must be remitted to AG FILTRI main office. Bank payment orders or trade drafts shall be considered merely as



means for remitting payment of outstanding accounts. Notwithstanding, all outstanding accounts shall in any case be regarded as settled only upon receipt of payments by AG FILTRI main office.

4.8. All payments shall be made out in favor of AG FILTRI. Any payments remitted to AG FILTRI's business agents and/or representatives shall not be considered valid for settlement of the account outstanding unless Client has been previously authorized to this effect by AG FILTRI in writing.

#### **5) GUARANTEE**

Equipment manufactured by us is guaranteed against faulty workmanship and material for 24 months, which will run from date of despatch. Our responsibility is limited to the replacement of defective parts provided the user returns the equipment to us, carriage paid and securely packed. The rectified equipment will be returned to customer at the terms agreed for the initial order. Equipment not of our own manufacture is excluded from this guarantee but the user will receive the benefit of any guarantee given by the Supplier. In the case of faults of operation of the sold materials, the contract is meant to be fully in force, but the faulty parts will have to be substituted in the shortest possible time, without however giving any right of refund of possible damages or expenses for repairs, not to the discontinuance of payments. This guarantee is limited to the original equipment and materials, in the same conditions, as they will be supplied by AG FILTRI. Any change or modification, carried out by the customer or by any third party, will automatically cause the expiration of the warranty period.

AG FILTRI shall not be liable for defect caused by inappropriate or careless usage and incorrect mounting, installation or operation. Insignificant or typical variation in color dimensions, weight and quality are not considered to be defect AG FILTRI shall not be liable in case of use of the products even if in the case AG FILTRI declare their defectiveness.

#### **6) NOTIFICATION OF COMPLAINTS**

6.1. The goods shall be considered as fully accepted in all respects and without reservation unless notification of eventual noncompliance and/or defects is sent to AG FILTRI within eight days of receipt.

6.2. More precisely, it is understood that any claims for damage and/or loss must be notified to AG FILTRI within eight days of receipt of the goods, otherwise claims cannot be recognized. Notification to this effect shall contain full details of non-compliance and/or defects and shall be addressed to AG FILTRI by registered letter with return receipt acknowledged.

6.3. In no case shall the client have the right to return the goods to AG FILTRI unless it has been specifically authorized to do so writing and all necessary merchandise checks and inspections have been fully completed. In case of goods being returned without AG FILTRI's prior consent, return and/or demurrage charges shall be borne solely by the Client.

6.4. It is understood that the Client shall in no case raise any objections whatsoever aimed at refusing and/or delaying payment of the goods that the goods furnished by AG FILTRI are non-conforming and/or defective. In case of any question, difference or dispute arising in connection with the quality of the product and/or the delivery date. The Client shall have the right to undertake legal action against AG FILTRI. only after full payment of contract price has been made.

#### **7) SHIPMENTS**

The shipments, even if carriage free, are always meant to be made at the risk and danger of the buyer, and this also for the ones that are made by means of forwarding or shipping agents, or of agents of the seller.

#### **8) DRAWINGS**

Drawings submitted with quotations are approximate. Certified drawings will be supplied upon request after receipt of the official order. Our quoted price includes for the supply of one set of instructions. Additional copies can be provided at extra charge.

Reproducible drawings are not included unless specifically stated in our quotation.

#### **9) PENALTY**

AG FILTRI do not accept orders with penalty included

#### **10) CANCELLATION**

Cancellation of order will be accepted only if the purchaser agrees to pay a charge for work already started, and bases upon the total cost incurred.

#### **11) STORAGE**

Where despatch of equipment is delayed at purchaser's request, completed equipment can be stored subject to the payment of an extra charge based on storage costs. In such instance we reserve the right to invoice the full value of equipment stored.

#### **12) MODIFICATIONS**

We reserve the right of modifying our products whenever convenient or necessary without previous notice without altering their specifications and/or quality.

#### **13) LIMITATIONS**

The Buyer engages himself not use the purchased goods for a different use from the one for which they are intended.

#### **14) SALE AGENTS**

The agents in charge of the sales, the grantees and the middlemen are not supplied with whatever power of agency, and therefore every undertaking of engagements on their side, will engage them, and not AG FILTRI, only towards the Customer.

#### **15) CHANGES**

Any changes in the present General Terms of Business and Delivery shall be valid only if made in writing and duly approved by both parties.

#### **16) LAW IN FORCE**

Italian law will be applied for every sale and/or supply between AG FILTRI and the customer unless differently stated in these conditions.

#### **17) COMPETENT COURT**

Any dispute arising in connection with the validity, construction, execution and termination of the present General Terms of Business and Delivery or of individual sales contracts thereto between O.M.T. and the Client shall be submitted solely to the Court of Bologna. According to the articles 1341-1342 of the Civil Code and to their effects, I declare to have examined and understood all rules, and I particularly approve the articles 3 (Delivery-Terms) 4 ( Prices ) 6 (Notification of complaints) 14 (Limitations) 16 (Changes) 17 (Law in force) 18 (Competent court).