

#### **REV.07**

# GENERAL SALES CONDITIONS

#### Preamble

These general conditions apply to all sales of STS products.

STS reserves the right to add, amend or eliminate any provisions of these sales conditions, on the understanding that such additions, amendments or eliminations shall apply to all sales entered into as of the day following the customer's notification of the new sales conditions.

#### 1) General provisions

These contractual conditions apply to the contractual sales of all STS products.

The contractual conditions requested by the customer are not valid, unless they are expressly accepted in writing by STS, which shall not be bound by the customers' general purchase conditions, not even if they are referred to or contained in orders or in any other customer documentation, without the prior written consent of STS. In all other cases, when the contract is entered into these conditions are considered as accepted.

Habits and customary behaviour that might contrast with these general conditions are not binding.

Orders accepted may not be cancelled by the Customer without the consent of STS.

# 2) Entry into the contract

A contract is considered as entered into when the offer by STS has been accepted in writing (confirmation may be issued via fax, registered letter with notification of receipt or e-mail) and STS is aware of such acceptance. Non-conformant acceptance of the offer is considered as a counter-proposal which has to be accepted in writing by STS. Drawings, pictures, indications of models and technical data shall become binding only after entry into the contract, are the property of STS and, unless otherwise authorised in writing by the latter, cannot be used in any way. Orders accepted shell not be annulled by the Customer without the consent of STS. In the event of cancellation of an order or failure to collect, even partially, the Products, the Customer will have to pay a penalty equal to 30% of the value of the canceled orders and / or of the Products not withdrawn, except for the Seller's right to compensation of the greater damage.

#### 3) Scope of the contract

The scope of the contract is represented only by the products and/or services included in STS's offer. The following in particular are excluded unless otherwise agreed to in writing: water intakes, transformer cabs, electricity lines to the switch panel, assembly operations of any kind, installation, drains, authorisation procedures. Unless otherwise agreed upon in writing, the provision of a safety manager in compliance with the law is not part of the service due. STS shall not answer for damage caused by third parties in relation to the above works.

#### 4) Prices

The prices indicated are always net (excluding VAT), without reductions or discounts and are expressed in Euros (€). The prices are indicated in the offer. Otherwise the list prices in force on the delivery date apply. For assembly or other services, the general assembly conditions and hourly rates of STS in force at the time of performance apply and shall be calculated separately.

# 5) Payments, guarantees, reasons for termination of the contract

All payments shall be made at the headquarters of STS. Unless otherwise agreed, payment shall be made by the deadline indicated on the order by bank transfer into the STS current account. Promissory notes shall not be accepted. From the day after expiry of the payment deadline and without the need for further notification, interest on arrears shall apply and expenses for injunction and all accessory costs for recovering any form of credit shall be charged, without affecting the right to claim further compensation for additional damages. The sums owed for collection, interest, documentation, transport, travel and accommodation, as well as test and inspection, in relation to people and materials shall be due immediately without further notification. Failure to pay by the deadline or the occurrence of circumstances which might influence the customer's creditworthiness shall determine the immediate collectability of all payments (decadence of expiry date) and shall authorise STS, at its own discretion, to make the established deliveries only following advance payment, to withdraw from the contract and to declare the termination of the entire contract or single parts thereof. In the event of delayed payment, the customer is obliged to provide adequate guarantees for all sums outstanding, via the transfer of credits, the presentation of a pledge or the creation of surety in favour of STS. Failure to make payment by the deadline or to fulfil the above obligations, as well as the initiation of composition/ bankruptcy proceedings against the customer, shall be cause of immediate termination of the contract (express termination clause).

# 6) Termination of the contract, early fulfilment obligation, withdrawal right

After announcing the termination of the contract, the customer shall be immediately banned from using the goods held and/or purchased. The termination of the contract obliges the customer to return all the goods, together with the relevant licenses and documents, to STS at its headquarters within one week (seven days). The customer shall bear all expenses for returning the goods. Only after returning the goods and only if due, will any payments already made by the customer to STS be taken into account and refunded. The customer shall be in debt with STS for the value of all the advantages drawn from the goods or part of them. The customer shall not be allowed to compensate equivalent quantities, unless STS has expressly acknowledged the counter-credit or the latter has been ascertained by a sentence of the court. If the goods are not returned within one week, STS is authorised to recover said goods at the customer's expense from the place where it has been installed or is stored. To this end, with entry into the contract the customer expressly authorises STS to access the places where the goods are housed for their collection, simultaneously waiving every form of action to defend possession.

# 7) Delivery terms

With the exception of anything otherwise agreed upon in writing between the parties, STS will deliver the products ex works. If necessary, STS will organise the transport of the products at the customer risk and expense. Delivery shall take place by the deadline indicated on the order and as accepted. The delivery terms are indicative and not essential in compliance with article 1457 of the Italian Civil Code and do not include transport time. STS shall not be considered responsible for delayed or failed delivery due to circumstances beyond its control, including but not limited to:

- a) inadequate technical data or imprecision or delays by the customer in sending STS information or data necessary to the delivery of the products;
- b) difficulty in procuring raw materials;
- c) problems linked to the production or planning of orders;
- d) partial or complete strike action, electricity blackouts, natural disasters, measures imposed by the public authorities, transport difficulties, force majeure, uprisings, terrorist attacks and all other causes of force majeure;
- e) delays by the forwarding company.

The occurrence of any of the events listed above shall not entitle the customer to request compensation for damages or indemnities of any kind.

# 8) Transport

Unless otherwise agreed to in writing between the parties, transport shall always be at the customer's risk and expense. If STS, in compliance with article 7, is requested to organise the transport of the products, STS shall choose the means of transport it considers most appropriate in the absence of specific instructions by the customer.

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## 9) Supply, passage of risk

Unless otherwise agreed in writing, the goods shall be delivered to the customer at the headquarters of STS with the simultaneous passage of risk to the customer. Licenses and documents shall be given to the carrier together with the goods, or to the customer upon making the payment. Delivery always takes place at the customers risk. The customer shall procure and fulfil, at its own risk and expense, all the necessary obligations with customs and permits for export, import and transit of the goods through the countries. If the methods of transport have not been expressly agreed upon with the customer, these shall be determined by STS without the assumption of any kind of responsibility. The same also goes for deliveries "carriage paid" by STS using its own transport or that of third parties. Prices for carriage paid delivery are based upon good travelling conditions on the respective networks. Unsuccessful deliveries shall be charged to the customer. The delivery vehicles used shall have suitable and free access to the place where the goods are to be unloaded. Unloading shall be at the expense of the customer and shall take place without delay. Should the customer fail to observe these obligations, it shall be responsible for all ensuing damages, including those to third-party vehicles. STS will not answer for delays due to traffic restrictions, adverse weather conditions or any other obstacle. The goods are insured against damages/loss during transport only upon written request by the customer, at its expenses and charge. STS will not collect packing material, unless otherwise agreed upon between the parties in writing (to be indicated on the invoice).

# 10) Monitoring, maintenance, staff training

The monitoring of a system is not included in the sale price. If the customer is interested in remote servicing, a special monitoring contract can be entered to with STS. The sale price does not include system maintenance and be carried out by STS staff and the relevant costs shall be agreed in a separate maintenance contract to be signed by the parties. Upon completion of assembly, the system shall be delivered to the customer (test and inspection). The supervision of assembly by STS does not implicate any assembly obligation or costs to the latter. STS does not accept any responsibility for damages caused by the incorrect assembly or start-up by the customer, third parties or independent technicians. To prevent damages, all the STS instructions contained in the user manuals, product information and informative brochures must be strictly observed, with simultaneous and express warning not to use or treat the products differently from the instructions given. The customer is responsible for supplying sufficient information to any other buyer or user. Training courses for the customer's employees to teach them the correct use of the system are not included in the price. They are however offered and must be agreed upon on a case by case basis in a special written agreement. Invoicing takes place on the basis of the hourly rates of STS staff.

# 11) Acceptance of goods, responsibility for verification, faults

The customer shall examine the goods within a week of delivery, after which time they shall be considered as accepted. Acceptance of the system releases STS from responsibility for any non-conformities or faults, unless they have been wilfully hidden by STS. If no written report of faults has been issued within 8 days of supply, the system shall be considered irreversibly accepted.

#### 12) Remote assistance service

If envisaged among the services included in the offer or following annual renewal, the remote assistance service consists in the possibility of performing technical interventions remotely via telephone connection guaranteed by specific modem / router equipment.

STS will not be able to make any remote connection, unless previous request of the client for intervention and connection of the modem / router. In case of request for assistance, preparatory and necessary condition for the execution of the service, it is the release by the customer of authorization to remote connection, with express indication of the start and end time of the intervention.

To this end, STS will send the customer a specific form with remote connection request, which the client must make signed for acceptance before the intervention is carried out.

The intervention from remote will require the absence of personnel near the machine subject to technical intervention, so that each maneuver determined remotely does not to cause harm to people. With the acceptance of the connection to the remote connection for the execution of the technical intervention, the customer guarantees the maintenance of the area in safe conditions and relieves STS of any responsibility for damage to things or people should occur during the operation.

# 13) Warranty

STS undertakes, directly or through specially appointed third parties, to eliminate faults that contrast with the terms of the contract and jeopardise the usability of the goods, as long as said faults concern manufacture, material or performance. This commitment exists for faults that become apparent within one year of the passage of risk (see point 9) of which the customer was unaware at the time of entry into the contract. Known faults also include those that the customer should have become aware of in the course of standard diligence. The customer shall bear all expenses related to replacement under warranty. Any faults shall be reported to STS in writing within the final term of 8 (eight) days from discovery or from the moment in which they are recognised (term for reporting faults), with the obligatory indication of the serial number of the goods and the type and nature of the contractual breach encountered. Faulty material must be returned and transport expenses for return shall be borne by the customer. After the goods have been returned, the entitlement to warranty will be verified. If there is no entitlement to warranty, the expenses for repair/replacement and transport will be billed to the customer. Omissions or delays in reporting faults, failure to indicate the serial number of the goods and failure to return the goods, or from the moment they have been recognised, cannot be rectified and imply the loss of entitlement to warranty. Sales agents are not authorised to receive reports of faults and cannot make commitments on behalf of STS with regard to faults found. No warranty coverage is given for damages caused by:

- incorrect or negligent treatment of the items supplied, particularly failure to observe instructions for use, the manufacturer's recommendations, regulations on the prevention of accidents and other, similar instructions;
- excessive stress and/or use of improper replacement equipment or materials;
- use of the goods for purposes other than those for which it was intended which were not communicated to STS before entry into the contract;
- products or spare parts not made by STS;
- faults known to the customer or which it could not ignore;
- faults that become apparent after 12 (twelve) months from the passage of risk (see point 9);
- damages caused by transport;
- repairs or alterations made by the customer or by third parties without the written authorisation of STS.

STS reserves the right to fulfil its warranty obligation employing used material or material that it has reconditioned, with approx. the same date of manufacture.

# 14) Liability

Every claim for compensation outside those considered in article 12 above is excluded, particularly with regard to direct/indirect damages, loss of data, loss of profit or consequential damages. Changes made by the customer or by third parties without the prior written authorisation of STS within the fault reporting term shall nullify any obligation to provide warranty or any liability by STS. STS shall not be liable for travelling or accommodation expenses sustained by the technicians appointed to carry out repairs, eliminate faults, dismantle and/or assemble faulty parts. These shall be charged to the customer with immediate expiry. Any additions of third-party equipment and/or systems to STS control and command systems by STS shall be carried out only upon request and on behalf of the customer. STS shall not be held liable for any warranty rights held for third party's equipment and/or systems, both regarding itself, the manufacturer and/or other third parties.

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### 15) Right to resolutive action

Should STS effectively ascertained a contractual breach, the latter shall be entitled to take resolutive action within an appropriate term. Only following the negative outcome of such action may the customer take action against STS, in compliance with these general conditions.

#### 16) Industrial property

All the names, denominations, marks, drafts, drawings, software programs and other STS documents are its sole property and can be used and employed only with the explicit written consent of STS. Should STS supply items manufactured and designed on the basis of drawings, models, diagrams or other customer documents, the latter shall undertake to guarantee and be responsible for any breaches or prejudice to the rights of third parties. Should third-party rights be breached or illicit actions of any kind take place, the customer undertakes to indemnify STS from any claim by third parties. All relative costs shall be borne by the customer and legal costs shall be advanced by the customer.

# 17) Place of performance, applicable law, arbitration clause

The place of performance of all obligations and services between the parties is the headquarters of STS. The court holding jurisdiction for any dispute which might arise between the parties with regard to the construction, application and/or pursuit of this contract is the law court of Ravenna. All relations between the parties and their successors shall be regulated by Italian law.

#### 18) Prevailing Language

The Italian version of these general contractual conditions is the prevailing.

#### 19) Competent court

Any disputes arising relating to the validity, interpretation, execution or cancellation of this offer shall fall under the jurisdiction of the Law Court of Ravenna only.

## 20) Settlement clause

In any case, before taking legal action, the parties undertake to attempt settlement with the aid of a Mediation Organisation enrolled in the Register of Mediation Organisations at the Ministry of Justice, in accordance with the procedure established by the Rules of settlement adopted.

# 21) Content of General Conditions

The parties mutually acknowledge that this agreement has not been based upon models or forms unilaterally prepared by one of the parties, but that it has been freely agreed upon and that each clause, before being subscribed, has been subject to thorough discussion, assessment and negotiation.

