



GENERAL TERMS AND
CONDITIONS OF SALE

CLASSIFIED DOCUMENT

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CONFIDENTIALITY NOTICE

The information contained in this document and in its attachments is confidential and reserved for FILTERS SpA. Any person reading this notice who is not the intended recipient, an employee, or the person responsible for delivering the communication is hereby notified that any use, copying, distribution or disclosure of its contents is prohibited pursuant to Article 616 of the Italian Criminal Code and Legislative Decree No. 196/2003 concerning the protection of personal data. If this communication has reached you in error, please inform us immediately; the contents of this document and its attachments must not be read and must be destroyed.

CLASSIFIED DOCUMENT

1. INTRODUCTION AND SCOPE OF APPLICATION

- a) The terms and conditions set out below (the "General Terms and Conditions of Sale") form an integral part of the contracts concluded between the Seller and the Buyer for the supply of the Seller's products (the "Products").
- b) The General Terms and Conditions of Sale shall apply to all transactions concluded between the Seller and the Buyer without the need for an express reference to them or a specific agreement to that effect upon the conclusion of each transaction. Any different condition or term shall apply only if confirmed in writing by the Seller.
- c) The Seller reserves the right to amend, supplement or modify these General Terms and Conditions of Sale by attaching such amendments to offers or to any written correspondence sent to the Buyer.

2. OFFERS AND ORDERS

- a) The Seller's offers shall not be considered binding, particularly concerning quantities, prices and delivery terms.
- b) All orders must be correctly addressed to:

FILTERS SpA
Via della Rimembranza, 1
10060 Piscina (TO)
ITALY
- c) Orders placed by the Buyer shall not be deemed to have been accepted until they have been confirmed in writing by the Seller. If the Seller does not confirm in writing, the issuance of the invoice by the Seller or the execution of the order by the Seller shall be deemed to be confirmation;
- d) Any variation to a confirmed Purchase Order must be approved and may incur additional costs.
- e) In the event of cancellation of the order, penalties will be applied which will be established from time to time depending on the amount of the order and the progress of the work;
- f) The references of the offer must be reported in the order;
- g) Order confirmations will be sent to the Buyer within ten (10) working days, except in cases where the order is to be planned in the presence of sub-suppliers;
- h) Any confirmations not commented on within five (5) business days will be considered automatically accepted.
- i) The Buyer undertakes to indicate completely and definitively all the destinations of the shipments at the time of placing the order. Any subsequent modification must be approved in advance by FILTERS SpA and may involve the revision of the order, prices, delivery terms and commercial documentation. In the absence of receipt of the revised order, FILTERS SpA will have the right to suspend the shipment of the goods

3. PRICES AND PAYMENT TERMS

- a) The Prices of the Products do not include VAT, which must be paid at the delivery time or in accordance with the specific provisions indicated in the invoice.
- b) Taxes, duties, shipping, insurance, installation, end-user training, after-sales service are not included in the prices unless quoted separately.
- c) In addition to the other remedies permitted by applicable law or by these General Terms and Conditions of Sale, the Seller reserves the right to apply interest in late payments from the date on which the right to payment accrued, calculated in application of the European Directive 2011/7/EU of 16/02/2011
- d) If the Buyer does not make payment within the terms and in the manner indicated by the Seller, the Seller has the right, at its own discretion, to suspend or cancel further deliveries and to declare any claim arising from the business relationship as immediately payable.
- e) The Buyer has no right to make any compensation, withholding or reduction except if his request to this effect has been definitively and judicially accepted.

4. DELIVERY TERMS

- a) Unless otherwise agreed in writing, any delivery term indicated is not binding on the Seller. Unless otherwise agreed between the parties, the indicative delivery term is that specified in the order confirmation. The delivery term is subject to the approval by the Buyer of the technical documentation (GA, P&ID, etc.), where applicable; depending on this approval, the delivery term may be recalculated.
- b) Where not specified, the return for sale is always to be understood as FCA FILTERS SpA, via della Rimembranza, 1, 10060 Piscina (TO) ITALY in accordance with INCOTERMS 2020.
- c) In the case of FCA or EXW returns, the Buyer is responsible for arranging transport and all obligations related to the shipment or export of the Products, including the management of customs formalities where applicable. If such operations are not carried out in the Seller's country or are not verifiable through the official systems of the competent authorities, the Buyer must provide suitable and verifiable alternative documentation certifying the delivery of the Products to their final destination or, where applicable, their exit from the customs territory of the European Union. Failing this, the Seller may treat the sale as subject to taxes in its own country. If the Buyer does not collect the Products within 10 working days from the notification of ready goods, the Seller shall be entitled to charge storage costs, suspend further supplies and terminate the contract, without prejudice to compensation for damages.
- d) Delivery times always exclude the two central weeks of August and the two weeks for the Christmas holidays, as indicated in the Commercial offer.
- e) Any liability for delivery resulting from force majeure or other unforeseeable events not attributable to the Seller, including, without limitation, delays of suppliers, strikes, lockouts, government orders, subsequent blockages of export or import possibilities, in view of their duration and scope, release the Seller from the obligation to comply with any agreed delivery deadline.

- f) The Seller is not obliged to accept returns of products, unless expressly agreed in writing. Any costs incurred for this purpose shall be borne by the Buyer.
- g) Standard packaging is intended on a pallet wrapped in nylon or in a cardboard box. Any other packaging solution will have an additional cost.

5. DUTY OF INSPECTION AND ACCEPTANCE OF PRODUCTS

- a) FILTERS SpA guarantees that the supply corresponds to the agreed characteristics and specifications, that the materials used are free from defects or defects, even hidden, and that the work has been carried out perfectly. Unless otherwise specified in the order, the warranty is to be considered valid for a period of 24 months from commission and in any case for a maximum period of 36 months from receipt of the material.
- b) The guaranteed defects are: design defects, malfunctions and material defects. Defects relating to storage that has not taken place according to our instructions will not be guaranteed.
- c) Upon taking delivery of the Products, the Buyer shall immediately:
 - Verify the quantities and packaging of the Products and record any objections in the delivery note;
 - Carry out a conformity check of the Products with respect to what is indicated in the order confirmation and record any discrepancies in the delivery note.
- d) In the event of reporting defects, the Buyer must comply with the following procedures and terms:
 - The notification must be made within no more than three (3) working days from the date on which the Products are taken over by the Buyer. If the complaint relates to a defect which, despite the initial inspection, has remained concealed, the complaint must be made as soon as possible by the end of the working day on which the defect was discovered and, in any case, no later than two (2) weeks from the date of delivery of the Products;
 - The detailed communication must be sent in writing to the Seller within the terms indicated above;
 - Communication must clearly specify the type and amount of the alleged defects;
 - Buyer agrees to make the disputed Products available for inspection; such inspection will be carried out by Seller or an expert appointed by Seller.
- e) No objection with reference to the quantity, quality, type and packaging of the Products may be made except by means of communication affixed to the delivery note, in accordance with the procedure indicated above.
- f) Any Product for which no dispute has been raised in accordance with the procedures and terms set forth above shall be deemed to have been approved and accepted by the Buyer.
- g) In the event that the Customer requests an inspection by FILTERS SpA personnel and if this inspection results in the absence of a defect or a defect not attributable to FILTERS SpA, the Customer shall bear all costs incurred by FILTERS SpA for the inspection.

6. WARRANTY TERMS

- a) In the event of a defect, the remedy (refund, replacement, repair or discount) shall be determined in accordance with the Vienna Convention by the supplier and shall be determined from time to time.
- b) The warranty applies only to products used and stored in the environment and for applications consistent with the manuals provided by the Seller; any improper use is to be considered prohibited.
- c) The warranty will not be valid if the inconvenience or anomaly is due to incorrect or inappropriate applications for the product, or if the same does not comply with commissioning. Any modification or replacement of parts of the product not authorized by the Seller relieves the manufacturer of civil and criminal liability, in any case voiding the warranty. The warranty does not cover normal parts subject to wear and tear.
- d) The warranty will be valid for 24 months from commissioning and no more than 36 months from the date of delivery, provided that the material is correctly stored in accordance with storage conditions.
- e) The maximum storage limit of all items is three (3) years as long as they are stored in the original packaging. The right storage conditions must be observed in a cool and dry place, in order to avoid any type of deterioration of the items. For specific needs, please consult the operation and maintenance manuals or contact FILTERS SpA customer service (service@filters.it)

7. LIMITATION OF LIABILITY

- a) Except in cases of justified objection raised in accordance with the provisions of paragraph 5 above, the Buyer shall not be entitled to any further right or remedy. In particular, the Seller shall not be liable for any compensation claimed for breach or breach of contract, for any direct damage or loss of profit incurred by the Buyer as a result of the use, non-use, or installation of the Products in other products, except in the cases covered by the warranty indicated in paragraph 6 or in the event of willful misconduct or gross negligence on the part of the Seller
- b) The Seller will do everything in its power to deliver the Products within any agreed terms, but in no case can it be held liable for damages directly or indirectly caused by the delayed performance of a contract or the delayed delivery of the Products.

8. RIGHT OF WITHDRAWAL

If the Customer intends to contest the adequacy of one of the elements delivered, it is mandatory to give written notice as specified in the paragraph "Duty of Inspection and Acceptance of Products"; otherwise, this element is to be considered accepted in full.

9. EXPORT CONTROL, SANCTIONS and RE-EXPORT

- a) The Buyer undertakes to comply with all applicable export control regulations, economic sanctions and embargoes in force in the relevant jurisdictions.
- b) The Products will be intended exclusively for the declared end user and end use. The Buyer undertakes to provide, at the request of the Seller, all the information and documentation necessary to verify their conformity.
- c) The Seller reserves the right to suspend the execution or refuse the supply if reasonable doubts arise as to the compliance of the transaction with the regulations.
- d) Any direct or indirect destination of the Products to countries or territories, subject to or for uses subject to restrictions or prohibitions under applicable laws, is prohibited.
- e) The Buyer may not sell, export or re-export, directly or indirectly, in the Russian Federation or in the Republic of Belarus, nor for use in such countries, any product supplied by FILTERS SpA under this contract that falls within the scope of art. 12g of Regulation (EU) No. 833/2014 and Art. 8g of Regulation (EC) No. 765/2006, as subsequently amended and supplemented.
- f) The Buyer undertakes to take all reasonable steps to ensure that the purpose referred to in the previous paragraph is not circumvented by persons belonging to its commercial chain, including distributors, resellers or other intermediaries.
- g) The Buyer shall set up and maintain adequate monitoring systems and procedures aimed at identifying any conduct, by parties belonging to its commercial chain, that may compromise compliance with the obligations set out in this article.
- h) Any breach of the obligations provided for in the previous paragraphs will constitute a serious breach of contract of an essential element of the relationship. In this case, FILTERS SpA will be entitled, at its own discretion:
 - i. to immediately terminate the contract and/or suspend supplies in progress;
 - ii. to request a penalty equal to 50% of the total value of the contract or the price of the products exported or re-exported in violation of this article, whichever is higher, without prejudice to compensation for any greater damage.
- i) The Buyer shall immediately inform FILTERS SpA of any problem relating to the application of this article, including any third-party activities that may compromise compliance with the export or re-export prohibition. Upon written request of FILTERS SpA, the Buyer shall also provide, within two weeks of the request, all the documentation and information necessary to demonstrate compliance with the obligations outlined in this article.

10. EXPORT DOCUMENTATION AND VAT REGIME

- a) If the sale is made without the application of VAT due to the transfer of the Products outside the Seller's country, the Buyer undertakes to cooperate so that the Seller can have adequate proof of shipment or export.
- b) If the transport is organized by the Seller (or by its representative), the Seller will directly collect the necessary documentation through its forwarding agent.
- c) If carriage is arranged by Buyer (including, but not limited to, FCA or EXW returns), Buyer is responsible for providing Seller, within ninety (90) days of making the Products available or shipping, official and verifiable documentation certifying: that the Products have been transported to the declared destination; and, where applicable, that the Products have been transported from the customs territory of the European Union.
- d) Such documentation must be unequivocally attributable to the supply and suitable for tax purposes in the Seller's country. Documents that are incomplete, unverifiable or inconsistent with the supply data will not be accepted.
- e) If the proof provided is not suitable or is not provided within the deadline indicated above, the Seller shall be entitled to treat the sale as taxable for VAT purposes and to charge the Buyer the amount of tax, as well as any penalties, interest or costs incurred.
- f) Buyer agrees to indemnify Seller against any consequences arising from the failure or inadequate proof of shipment or export.

11. RETENTION OF TITLE

The Products supplied remain the full property of the Seller until the date on which the Buyer has paid the full price of the same and all sums due to the Seller. Until such time, the Buyer retains the products as the Seller's trustee and must keep the Products properly stored, protected and insured.

12. FILTERS SpA INDUSTRIAL PROPERTY

- a) The Client expressly acknowledges that the trademarks, trade names or other distinctive signs affixed to the goods, drawings or specifications are the exclusive property of FILTERS SpA and cannot be altered, modified, removed or erased in any way. The Client has the limited right to use the trademarks, trade names or other distinctive signs, as well as any other industrial property rights or production and commercial know-how incorporated in the goods and which remain the exclusive property of FILTERS SpA, for the sole and limited purpose of reselling the goods to the public. Any other use of the intellectual property of FILTERS SpA by the Client, unless expressly granted by FILTERS SpA in writing, will be considered a violation by the Client of the exclusive rights of FILTERS SpA, also in terms of contractual liability and, as such, will be properly prosecuted.
- b) The documents, drawings, data and information (both in paper and electronic form) that may be delivered to the Customer, remain the exclusive property of FILTERS SpA and constitute a support for a better representation of the Products and are indicative of the performance of the Product itself. The Customer undertakes not to reproduce them, not to disclose them to third parties and also to take the appropriate precautions towards its personnel in order to ensure their protection.

13. PROCESSING OF PERSONAL DATA

The Buyer's personal data will be processed in accordance with the provisions of the Italian law on the processing of personal data (Legislative Decree 196/2003). The Seller informs the Buyer that the Seller is the data controller and that the Buyer's personal data are collected and processed exclusively for the execution of this agreement. Pursuant to Article 7 of Legislative Decree 196/2003, the Buyer has the right to request the Seller to update, rectify, integrate, cancel and transform their data into anonymous form.

14. GOVERNING LAW

- a) If the Buyer is a subject under Italian law, these General Terms and Conditions of Sale and all contracts entered by the latter with the Seller shall be deemed to be governed by Italian law.
- b) If, on the other hand, the Buyer is a person of a nationality other than Italian, these General Terms and Conditions of Sale and all contracts entered by the latter with the Seller are governed by the 1980 Vienna Convention on Contracts for the International Sale of Goods.

15. JURISDICTION

- a) Any dispute arising between the parties as a result of the interpretation, validity or execution of these General Terms and Conditions of Sale and the related contracts entered shall be referred to the exclusive jurisdiction of the Court of Turin.
- b) It is understood between the parties that only the Seller, at its discretion, shall have the right to waive the jurisdiction of the exclusive court referred to in paragraph (a) above to bring legal proceedings against the Buyer, at its domicile and in the competent Court therein.

16. FINAL PROVISIONS

The invalidity in whole or in part of individual provisions of these General Terms and Conditions of Sale does not affect the validity of the remaining provisions.

17. LIABILITY

The Seller's liability for all claims for compensation (such as, for example, penalties, guarantees, withdrawal fees) arising from or connected with the performance of the contract may not exceed the total amount of the single order. The Seller may not be called upon to compensate for loss of profit or any other indirect and consequential damage. The Buyer must submit claims for compensation in writing within a limitation period of thirty (30) days from the occurrence of the event.

Pursuant to and for Articles 1341 and 1342 of the Italian Civil Code, the Buyer specifically approves the following Provisions:

- Par. 1 (b) – Applicability of the general conditions of sale to all contracts;
- Par. 3 (d) – Failure to pay on time and subjection to insolvency proceedings;
- Par. 3 (e) – Prohibition of offsets, deductions or reductions;
- Par. 4 – Delivery terms;
- Par. 5 – Duty of inspection and acceptance of products;
- Par. 7 – Limitation of liability;
- Par. 11 – Retention of title;
- Par. 14 – Applicable law;
- Par. 15 – Competent forum.