



GENERAL TERMS AND CONDITIONS OF SALE

The acceptance of any order for purchase of Products from SIT Motors & Blowers Technology S.r.l. (hereinafter “**SIT MBT**”) is expressly made conditional on the customer’s (“**Customer**”) acceptance of these “General Terms and Conditions of Sale” (the “**Conditions of Sale**”).

Any terms or conditions provided in purchase orders, or other documents pertaining to any such order, regardless of their wording or when received by SIT MBT, which are in conflict or inconsistent with or in addition to these Conditions of Sale, are not applicable and will not become a part of any contract of sale between SIT MBT and the Customer (hereinafter a “**Contract**”) which will be executed upon acceptance by SIT MBT of a purchase order placed by the Customer

1. PRODUCTS

The SIT MBT products which may be ordered by the Customer shall be those described in SIT MBT’s catalogues (the “**Products**”).

Sending catalogues shall not constitute an offer by SIT MBT and, therefore, the Products therein indicated may be modified, changed, or withdrawn from the market by SIT MBT at any time without warning.

2. ORDERS

Purchase orders concerning the Products shall be issued by the Customer in writing and may also be sent by e-mail. If in verbal form, they shall subsequently be confirmed in writing. Each purchase order shall indicate the list of the ordered Products with the detail of the ordered quantity for each Product.

SIT MBT shall notify the Customer in writing its acceptance or rejection of any purchase order within 15 (fifteen) working days from the day on which any such purchase order is duly received by SIT MBT.

No purchase orders will or could be deemed as automatically accepted by SIT MBT in lack of (or before) the issuance by SIT MBT of the relevant purchase order confirmation. Orders shall be considered accepted and, therefore, binding on SIT MBT upon receipt by Customer of the purchase order confirmation. The orders received by SIT MBT shall be firm up to the expiration of the aforesaid 15 (fifteen) working days term for their acceptance by SIT MBT.

Any request for cancellation or variation of purchase orders already confirmed must be submitted in writing and are subject to SIT MBT’s acceptance. In the event the request is accepted in writing by SIT MBT, SIT MBT shall have the right to be compensated for any expenses and losses incurred as a consequence of the cancellation or variation of the purchase order.

3. CONFIRMATION

The purchase order confirmation and a possible sales agreement shall indicate the Products’ volume, prices, payment conditions, delivery term and transport conditions.

Should a confirmation contain modifications in respect of the order, such modification shall be considered to have been tacitly accepted by the Customer unless the Customer communicates to SIT MBT in writing its disagreement within 5 (five) working days of receipt of the purchase order confirmation.

4. PRICES

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Cap. Soc. EURO 1.192.142,84 i.v.

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The prices are those which appear on the purchase order confirmation and on a possible sales agreement. If not differently specified in the purchase order confirmation and/or in a possible sales agreement, all prices are inclusive of costs of packing, loading of Products onto transport means at SIT MBT's premises. Shipment, VAT and other taxes, duties or charges which may be levied on the Products in Italy, or in the country where the Products are delivered shall be entirely paid by the Customer.

Prices, if not differently specified in the purchase order confirmation and in a possible sale agreement, are not inclusive of costs of transport, insurance and exportation and importation.

5. CURRENCY

The invoiced prices of the Products shall be expressed in Euro, if not differently specified.

6. PAYMENTS

Payment terms shall be indicated in the purchase order confirmation and/or in a possible sale agreement.

Should payment be provided for by letter of credit (L/C), the letter of credit shall be confirmed by a primary bank having an office in Padova (Italy). The letter of credit shall be irrevocable, transferable, in whole or in part and on one or more tranches and payable upon the date on which payment of the Products is due. Said letter of credit shall be negotiable against the documents provided for under these Conditions of Sale.

Should payment be provided for upon presentation of documents, SIT MBT shall present the documents provided by these Conditions of Sale at the bank indicated by the Customer and, if no such bank has been indicated, at the bank selected by SIT MBT having an office in the city of the Customer or in the nearest city. Should deferred payment be provided, the documents may be withdrawn by the Customer against the acceptance of a promissory note, prepared by SIT MBT and presented together with the documents for the sum indicated in the invoice, payable upon the date on which payment of the invoice is due.

Should payment be provided for by direct remittance, such remittance shall be made by money transfer, with value date for SIT MBT on the day on which payment of the Products is due, at the bank indicated by SIT MBT on the purchase order confirmation (or on pro-forma invoice).

When provided for in the purchase order confirmation, SIT MBT shall be entitled to issue a draft or banker's receipt for the sum indicated on the invoice, payable upon the date on which payment of the invoice is due.

In the event of total or partial delay in payment, the Customer shall pay, on the unpaid sum, a conventional interest at a rate equal to Euribor (six months) plus a spread of 4%, without prejudice to SIT MBT's right to terminate the Contract.

Title to all Products sold hereunder shall remain with SIT MBT until payment in full thereof is made by the Customer.

7. DEFAULT

If in SIT MBT's judgement, the Customer's financial conditions at any time do not justify continuance of production or shipment on the terms and conditions originally agreed, SIT MBT may require full or partial payment in advance. In the event of the Customer's bankruptcy or insolvency or in the event any proceeding is brought against the Customer (initiated by the Customer or any other party) under any bankruptcy or insolvency laws, SIT MBT shall be entitled to cancel any order then outstanding and receive payment of the relevant cancellation charges.

In case the Customer does not pay the invoices at terms and conditions agreed upon between the parties, SIT MBT is entitled to automatically stop the deliveries of Products.

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8. DELIVERY

The delivery terms indicated in the purchase order confirmation and in a possible sale agreement shall not be essential and any delay shall not entitle the Customer to request termination of the Contract.

Without prejudice to Clause 6, whereby passage of title on the Products shall occur only upon full payment of the Products, delivery of the Products, and relevant transfer of risks on the Customer, shall be considered as effected, irrespective from any agreement of the parties regarding transport costs, at SIT MBT's premises, upon the loading of the Products onto the relevant mean of transportation, on the date which shall result from the transport documents. The Products shall travel at the Customer's own risk.

9. FORCE MAJEURE

As so long as SIT MBT or the Customer are prevented from performing their contractual obligations due to fire, flood, war, riots, lock-outs, slowdowns, accidents of any kind, lack of or delayed delivery on the part of suppliers, interruption or suspension of transports or energy, unavailability or scarcity of raw materials, delay in obtaining or inability to obtain materials, equipment or parts from regular sources, strikes, picketing or other labour disputes or controversies, default of suppliers or any other circumstances beyond their reasonable control, such obligations shall be suspended, and the affected party shall not be responsible, from the day in which a party of the Contract notifies their existence to the other in writing

10. SHIPMENT

Without prejudice to Clause 8, second paragraph, should a sale with transport cost to be borne by SIT MBT have been agreed, SIT MBT shall designate the shipping agent, giving notice thereof to the Customer.

Without prejudice to Clause 8, second paragraph, should a sale with transport cost to be borne by the Customer have been agreed, SIT MBT shall inform the Customer that the Products are ready for shipment and the Customer shall, within eight days of such communication, designate the shipping agent. If no such designation is made within the aforesaid term, SIT MBT shall make the designation, giving notice of the terms and conditions of transport to the Customer.

The Products shall be accompanied by the usual shipping documents and, if they are to be exported, by custom's documents and by any other documents requested expressly by the Customer.

Upon departure of the Products, a copy of the documents shall be sent by SIT MBT to the Customer by e-mail.

11. INSURANCE

Without prejudice to Clause 8, second paragraph, should a sale with insurance cost to be borne by SIT MBT have been agreed, SIT MBT shall provide for the execution of the relevant policy in favour of the Customer with an insurance company selected by SIT MBT.

Without prejudice to Clause 8, second paragraph, should a sale with insurance cost to be borne by the Customer have been agreed, SIT MBT, if requested, shall execute the relevant policy in favour of the Customer and at the Customer's expense.

12. INSPECTION AND ACCEPTANCE OF THE PRODUCT BY THE CUSTOMER

The Products shall be inspected by the Customer immediately after their arrival. Claims for incomplete or wrong deliveries or concerning Products not corresponding to the contractual Products or for Product damages shall be sent by the Customer to SIT MBT within and not later than eight (8) days from the date of their delivery. If by such above eight (8) day term SIT MBT does not receive a written detailed claim from the Customer, as to the quality or quantity of the delivered Products, such Products shall be

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considered as finally accepted by Customer and can no longer be subject to claims, except for claims possibly made under the Clause “Warranty and Claim” of these Conditions of Sale.

If upon inspection of the Products Customer (within the term provided for under the above Clause) notifies SIT in writing of any claim concerning a material defect of the Products, upon SIT MBT’s prior written approval, Customer shall be entitled to return such Products to SIT MBT.

13. WARRANTY AND CLAIMS

SIT MBT warrants that the Products supplied to the Customer under these Conditions of Sale shall be compliant with the Technical Specifications laid out by SIT MBT. SIT MBT also warrants that the supplied Products shall be free from defects in materials and workmanship and in compliance with the applicable Italian and EU legislation.

The Customer shall promptly notify SIT MBT in writing of any event which may entail a claim under this Clause “Warranty and Claims”. In so far as possible the Customer will detail all the data necessary for the identification of the Products, the date of delivery and assembly, the date and the place of installation, the equipment on which the product was assembled and the description of the defect found.

Upon any warranty claim, if so requested by SIT MBT, the Customer shall promptly return to SIT MBT any allegedly defective or non conforming Product. If restitution of the product is not requested by SIT MBT, the Customer shall store it in a separate area of its warehouse, available for any possible control or inspection by SIT, for as long as the relevant warranty claim is not finally accepted or rejected. Claims under this Clause “Warranty and Claims” shall be accepted by SIT MBT only if relevant to defects or non conformities which are entirely attributable to SIT MBT’s responsibility and which could not have reasonably detected upon the inspection which the Customer must conduct on all the Products pursuant to Clause 12 of these Conditions of Sale.

Hidden defects which cannot be detected immediately after arrival of the Products shall be reported by the Customer to SIT MBT without delay after discovery, under penalty of forfeiture.

Upon receipt of any warranty claim from the Customer, and provided that such claim is in compliance with the provisions and limitations of this Clause “Warranty and Claims”, SIT MBT shall, at its discretion, either repair (where possible) or replace free of charge any defective or non conforming Products or issue credit for the purchase price of product.

SIT MBT shall be entitled to reject any Customer warranty claim within thirty (30) business days from the date on which it receives either such claim or the Products to which the claim relates. In addition SIT MBT shall be in any case relieved from any and all obligations and liabilities under this Clause “Warranty and Claims” (a) if Customer fails to notify SIT MBT in writing about any defect within thirty (30) days from the date on which said defect becomes known to the Customer, and/or (b) in any case where the applicable warranty period provided for under this Clause “Warranty and Claims” has expired.

SIT MBT shall also be relieved from any and all obligations and liabilities under this Clause “Warranty and Claims” in the event that the defect of any Product is the consequence of (i) normal wear and tear, and/or (ii) improper use, storage or maintenance of the Products (including the use, storage or maintenance of the Products which is not in compliance with SIT MBT’s instructions), and/or (iii) any repair, disassembly or modification of the Products made by Customer or third parties without the prior written authorisation of SIT MBT. Furthermore, no warranty claim can be made by Customer or any third party in respect of those Products on which the Product Identification Code has been damaged or cancelled.

SIT MBT’s obligations under this Clause “Warranty and Claims” shall continue as to each delivered Product for a period ending twenty-four (24) months from the production date of such Product.

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The remedies provided herein shall be the sole and exclusive obligations and liabilities of SIT MBT pursuant to the warranty provisions hereunder. The Customer consequently waives all other rights and remedies which may be provided in its favour under the law governing these Conditions of Sale.

No claim made under this Clause "Warranty and Claims" shall entitle the Customer to suspend any payments due to SIT MBT under a Contract.

14. RESALE

The Customer cannot resell Products acquired from SIT MBT to third parties without prior written authorisation of SIT MBT. In relation to that above-mentioned, those (even-though an independent organization) who effect After-Sales Assistance upon Products of the Customer are not to be considered "third parties".

15. GOVERNING LAW

The Contracts executed under these Conditions of Sale shall be governed by, construed and enforced in accordance with, the laws of Italy.

16. EXCLUSIVE JURISDICTION

Any and all disputes arising out of or in connection with the interpretation, the execution, the termination and any other question related to these Conditions of Sale or any Contract executed hereunder shall be finally settled by the court of Padova (Italy).

For acceptance:

The Customer: _____

Name:

Title:

Pursuant to Articles 1341 and 1342 of the Italian Civil Code, the Customer expressly approves the clauses 2 (Orders), 3 (Confirmation), 6 (Payment), 7 (Default), 8 (Delivery), 10 (Shipment), 12 (Inspection and Acceptance of the Product by the Customer), 13 (Warranty and Claims), 14 (Resale), 15 (Governing Law) and 16 (Exclusive Jurisdiction).

The Customer: _____

Name:

Title:

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