

GENERAL CONDITIONS OF SALE

Article 1 - Definitions

For the purposes of the these General Conditions of Sales:

- 1.1 "**Client**" shall mean any entity and/or person purchasing Products as part of their trade or professional activity;
- 1.2 "**GCS**" shall mean the present General Conditions of Sale;
- 1.3 "**Group**" shall mean the group of companies including LU-VE SpA and all other companies which are controlled by or affiliated to the latter pursuant to art. 2359 of the Italian Civil Code;
- 1.4 "**Incoterms 2000**" shall mean the International Chamber of Commerce official rules for the interpretation of trade terms;
- 1.5 "**Intellectual Proprietary Rights**" shall mean all LU-VE's intellectual proprietary rights, including without limitation, all rights pertaining to: patents for inventions, drawings and models, trademarks, know-how, technical specifications, all of these rights either registered/under registration and *de facto*, as well as any other right or forms of protection of similar nature and effect.
- 1.6 "**LU-VE**" shall mean LU-VE S.p.A., with registered seat in Varese, 21110 Varese, Via Vittorio Veneto 11, Italy;
- 1.7 "**Order**" shall mean any proposal for the purchasing of Products placed by the Client with LU-VE via email or fax;
- 1.8 "**Plant**" shall mean LU-VE's plant of production as resulting from the Order;
- 1.9 "**Price**" shall mean the price of the Product;
- 1.10 "**Price List**" shall mean LU-VE's price list as officially in force from time to time sent to the Client and available on the Site ;
- 1.11 "**Product**" shall mean any product sold by LU-VE;
- 1.12 "**SCS**" shall mean all specific conditions of sales expressly agreed upon in writing between LU-VE and the relevant Client with reference to the specific Sale;
- 1.13 "**Sale**" shall mean any contract for the sale and purchase of a Product;
- 1.14 "**Site**" shall mean the website *www.luve.it*, or any other site which is or will be the official internet Site of LU-VE.

Article 2 - Scope

2.1 All Sales of Products shall be ruled by the GCS, in addition to the relevant SCS, it being understood however that in the event of any discrepancies between the two sets of rules the SCS shall prevail.

2.2 Unless expressly agreed upon by LU-VE in writing, LU-VE shall not be bound by any possible general conditions of purchase of the Client, notwithstanding whether they are referred to by the Client when placing the Order or in any other document whatsoever coming from the Client.

2.3 LU-VE reserves the right to change the GCS at any time, by modifying, adding and/or deleting any of their Articles, it being understood that the GCS as changed shall apply starting from the 30th (thirteenth) day of notice to the Client of the new GCS.

Article 3 - Placement and acceptance of Orders - Entering of Sales

3.1 Clients shall place their Order with LU-VE in writing by way of email or fax, specifying the type, number of Product requested and the desired time and place of delivery of the same, as well as possible special features of the Product required (which will only be binding on LU-VE upon express and specific approval in writing by the latter).

3.2 Once the Order has been placed as per 3.1 above, LU-VE will be free to either **(i)** confirm in writing full and unconditioned acceptance of the Order, or **(ii)** reject the Order or simply not reply to it.

3.3 Any offer or counter-offer submitted by LU-VE to the Client shall be binding for a period of thirty (30) calendar days, unless otherwise agreed upon in writing.

3.4 The Sale shall only be considered as entered into if and when the Client receives a written confirmation from LU-VE that the latter fully and unconditionally accepts the Order placed by the Client as per 3.2(i) above.

3.5 Unless otherwise agreed in the SCS, once the Sale is entered into pursuant to 3.4 above, termination of the Sale shall only be possible under the circumstances and on the terms specified under Article 10 below.

3.6 In any case, LU-VE reserves the right to autonomously make modifications to the ordered Product, to the extent that such modifications have the sole effect of improving performance and/or appearance of the Product at any time and without notice.

Article 4 - Prices and payment

4.1 The Price of the Product shall be:

4.1.1 the Price expressly agreed upon between LU-VE and the Client in writing with reference to the specific Sale,

or, failing such agreement,

4.1.2 the Price indicated in the Price List as officially in force at the time of the entering of the Sale according to Article 3.4 above.

It being understood however that LU-VE shall be entitled to modify the Price List without notice, in case of cost variations of labour and raw material.

4.2 Unless otherwise agreed in the SCS, the Price shall be a net cash price (without deductions) *ex-works* at the Plant according to the meaning of Incoterms 2000 officially in force at the time of the entering of the Sale, including packages but excluding shipment (which shipment shall have to be dealt with according to Article 6 below). Unless otherwise agreed in the SCS, costs related to special packages shall be borne by the Client.

4.3 The Price shall be subject to VAT, if applicable, in the amount in force at the time of issuance of the invoice.

4.4 Possible discounts on the Price shall have to be agreed upon expressly and in writing by LU-VE, and shall be subject to timely performance of all obligations of the Client arising from the specific Sale and any other Sale, as well as in general of all obligations of the Client towards LU-VE and any other company belonging to the Group.

4.5 Payment of the Price shall be executed as agreed upon between LU-VE and the Client pursuant Article 4.1, failing such agreement the payment of the Price shall be executed when the Sale is entered into according to Article 3.4.

Article 5 - Delivery

5.1 Unless otherwise agreed in the SCS, LU-VE shall deliver the Product *ex-works* at the Plant, according to the meaning of Incoterms 2000 in force at the time of the entering of the Sale according to Article 3.4 above.

5.2 Unless otherwise agreed in the SCS, partial deliveries shall be permitted.

5.3 Unless otherwise agreed in the SCS, LU-VE agrees to use its best efforts to deliver the Product within the delivery date mentioned on the Order confirmation under Article 3.4, it being however understood that the time deadlines of delivery (both as specified under this Article 5, and as otherwise expressly agreed in the SCS) might be subject to adjustments and shall not be considered essential according to article 1457 of the Italian Civil Code.

5.4 Should delivery be delayed as a result of circumstances for which the Client is responsible, LU-VE shall be entitled to a storage charge equal to 0,5% (five per mil) of the contract value of the Products for each week of storage, starting from the 60th (sixteenth) day after said Products have actually been delivered by LU-VE.

Article 6 - Shipment and transfer of risks

6.1 Unless otherwise agreed in the SCS, shipment of the Product shall be executed by the Client at its own expenses.

6.2 Should it be expressly agreed in writing that shipment of any specific Sale is to be executed by LU-VE, the latter shall choose the mean for shipment according to its best judgement, unless otherwise instructed in writing by the Client at the time of entering of the Sale according to Article 3 above.

6.3 In any case, unless otherwise agreed in the SCS, shipment shall take place at the Client risk and risk shall pass from LU-VE to the Client when delivery *ex-works* at the Plant is made according to Article 5 above.

Article 7 - Retention of title

7.1 As a security for the payment of the Price, the Product shall remain full property of LU-VE until the time when the Price of the Product has not been paid by the Client on the agreed terms and time.

7.2 At any time, in the event of breach of any of the Client's obligations towards LU-VE, the latter shall be entitled to obtain the restitution of all Products whose property has remained still vested with LU-VE as per 7.1 above (which restitution shall not be regarded as a termination of the Sale, unless otherwise expressly stated by LU-VE), and to dispose of the returned Products and set off the proceeds thereof against the liabilities of the Client.

7.3 The Client shall be under the obligation of treating the Product with care, and provide for insurance coverage of the Product at its own expense and at replacement value, against theft, fire and water damages. If maintenance and inspection work is required the Client shall perform them in due time and at its own expense.

7.4 The Client shall be under the obligation to co-operate with LU-VE in taking all necessary steps in order to make the retention of title under this Article 7 valid and opposable execute towards any third parties, and to disclose to any third party thereof.

7.5 The Client shall be entitled to process the Products subject to the retention of title under this Article 7 in the normal course of business. Claims resulting from the resale of - or other legal sources (insurance, illegal action) relate to - the Product subject to the retention of title under this Article 7 shall be considered as assigned onto LU-VE for the duration and under the circumstances of the retention of title. LU-VE grants the Client the power to collect such claims on LU-VE's behalf.

Article 8 - Warranty and liability

8.1 Unless otherwise agreed in the SCS, the warranty and liability of LU-VE with respect to the Product shall only and exclusively have the scope and shall only and exclusively be subject to the terms and conditions specified under this Article 8, it being understood that the seller's legal warranty as provided for by articles 1490 and following ones of the Italian Civil Code shall have to be considered as excluded and/or limited according to this Article 8 to the maximum extent allowed by law.

8.2 For a period of 2 years starting from the date of delivery, LU-VE warrants to the Client that the Product is free from any default which makes it unfit for use, it being

however understood minor defects shall not be relevant to the extent that they do not affect the operation of the Product.

8.3 The warranty under this Article 8 shall not apply to the parts and components of the Product which are not manufactured by LU-VE in which case the latter shall use its best efforts to assist the Client in raising its claims against the manufacturer, nor shall it apply to defaults due to: (i) the shipment of the Product and in any case in the event that at the time of the delivery the Client has not made reserve for damages; (ii) misuse of the Product, (iii) not compliance with LU-VE's instructions as to the installation or initial operation, use, care and maintenance of the Product, (iv) the Product being fixed or modified by the Client or other third people outside the scope of LU-VE's instructions.

8.4 In order to be covered by the warranty under this Article 8, the Client shall have to notify the default to LU-VE by means of the apposite form to be requested to LU-VE's sales office.

8.5 In order to be covered by the warranty under this Article 8, the Client shall have to notify the default to LU-VE within eight (8) days (i) from delivery as per Article 5 above in the event defaults which are apparent or easily detectible, or (ii) from their discovery in all other cases. In any case, article 1495 paragraph 3 of the Italian Civil Code shall apply.

8.6 Provided that the request is covered by the warranty under this Article 8 and notified within the terms specified herein, LU-VE shall at its own free discretion, either substitute or fix the Product or the defaulted components thereof, it being understood that:

8.6.1 should LU-VE intend to substitute the defaulted Product: the Client shall send the Product or grant LU-VE access to the defaulted Product;

8.6.2 should LU-VE intend to fix the defaulted Product: the Client shall send the Product or grant LU-VE access to the defaulted Product;

should the Client fail to do so, LU-VE shall be discharged from its liability.

Unless otherwise agreed, all returns of Products shall be authorised by LU-VE and shall be delivered with prepaid freight.

8.7 Without prejudice of 8.6 above, LU-VE shall not be liable for any consequential and/or indirect damage and/or lack of profit. In any and all cases, LU-VE liability shall not exceed the amount of the Price of the defaulted Product.

8.8 In any case, the Client shall not be entitled to any warranty in the event that the Price either of the defaulted Product or of any other Product has not been paid by the Client on the agreed terms and time, nor shall the Client be entitled to any warranty in the event that any other obligations of the Client towards LU-VE has not been duly and timely performed.

8.9 LU-VE reserves the right to make modification in order to improve the performance or appearance of the Products at any time without notice and without obligation to previous production.

Article 9 - Intellectual property

9.1 Intellectual Proprietary Rights shall remain vested with LU-VE and their communication and/or use for the purposes of the Sales shall not be regarded as giving rise to any right of the Client with respect to them.

9.2 The Client shall only use the Intellectual Proprietary Rights if and to the extent so permitted expressly and in writing by LU-VE, and shall abstain from make use and/or apply for registration of trademarks similar to any of LU-VE's trademarks.

Article 10 - Termination - Suspension

10.1 LU-VE shall be entitled to terminate any of the Sale pursuant to article 1456 of the Italian Civil Code, should the Client be in breach of the payment obligations.

10.2 LU-VE shall be entitled to suspend the performance of any of the Sale pursuant to article 1461 of the Italian Civil Code, should the economical and/or financial condition of the Client become such as not to guarantee full performance of the latter's obligations towards LU-VE

Article 11 – Miscellaneous

11.1 In case of any discrepancies between the GCS as written in English and their translation in any local language, the English version shall prevail.

11.2 No failure to exercise or delay in exercising any right or remedy provided under the GCS or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part thereof.

11.3 No single or partial exercise of any right or remedy under the GCS shall preclude or restrict the further exercise of any such right or remedy.

Article 12 - Governing law - Place of jurisdiction

12.1 These GCS and all Sales shall be exclusively governed by the laws of the Republic of Italy, with the exclusion of the rules on conflict of laws and with the exclusion of the rules provided for the Wien Convention on international sales of movable properties.

12.2 All disputes arising from or in connection to these GCS and any of the Sales, including any dispute on their execution, validity, enforceability and construction shall be exclusively judged by the Court of Varese