



HYDROSERVICE
engineering & systems

GENERAL TERMS AND CONDITIONS OF SALE

HYDROSERVICE

HYDROSERVICE s.p.A.

Uffici Amm. E Stab.: Via Gorizia, 121 – 21013 – GALLARATE (VA) – Italy
Sede Legale: Via F. Cavallotti, 8 – 20122 – MILANO (MI) – Italy
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1. General

1.1. Definitions

In these General Terms and Conditions the following definitions are used:

“**Buyer**” means the Party which signs the Contract documents as counterpart to Hydroservice.

“**Contract**” means these General Terms and Conditions plus the Order and all documents referred to therein.

“**Delivery**” means the delivery of the Goods at the time and to the place specified by Hydroservice. Absent any specification, the place of physical and legal delivery is the Hydroservice factory from which the Goods depart.

“**Free Carrier**” means Ex Works according to Incoterms 2010 or, after replacement of the Incoterms 2010, the then effective Incoterms.

“**General Terms and Conditions**” means these General Terms and Conditions of Sale of Hydroservice.

“**Goods**” means the goods described in the Order.

“**Hydroservice**” means Hydroservice S.p.A., an Italian joint stock company with registered office in via F. Cavallotti, n.8, 20122 - Milano, Italy, and registered with the Registrar of Enterprises of the Chamber of Commerce of Milan under number 09765630158.

“**Order**” means the purchase order (and its attachments) signed by Buyer and submitted to Hydroservice for acceptance whereby Buyer orders from Hydroservice the supply of Goods. The definition of Order also covers the changes to an Order accepted by Hydroservice after the conclusion of the Contract.

“**Order Confirmation**” means the document provided by Hydroservice to Buyer as a response to Buyer’s Order documents either by Certified E-mail or registered mail or by e-mail or facsimile and which expresses the acceptance of the Order with or without modifications. In case of deviations between Order and Order Confirmation, the Order Confirmation shall become the binding Order unless Buyer expresses its dissent by Certified E-mail or registered mail anticipated by e-mail or facsimile within 3 (three) working days after receipt of the Order Confirmation.

“**Party**” means Hydroservice or Buyer, as the case may be.

“**Parties**” means Hydroservice and Buyer.

“**Price**” means the price of the Goods stated in the Order Confirmation.

“**Supply**” means the overall subject matter of the Order Confirmation.

1.2. All Orders, agreements, as well as all pre-contractual relationships, between Hydroservice and Buyer, both written and oral, will be governed exclusively by these General Terms and Conditions. Agreements deviating from these General Terms and Conditions shall be agreed upon in a document signed by both Parties.

1.3. Hydroservice’s personnel entrusted with sales and service activities are not authorized to enter into any indemnity or hold harmless agreements on behalf of Hydroservice.

2. Delivery

2.1. Unless otherwise agreed in writing, Hydroservice delivers the Goods Free Carrier (Hydroservice factory as place of departure), by delivery of the same to Buyer or to a third party appointed by the same in due time. Otherwise, Hydroservice is deemed to be authorized by Buyer to select and appoint, in the name and on behalf of and at the expense of the Buyer, a carrier or shipper, holding Hydroservice harmless from any liability for the selection. The Goods are always transported at the expense of Buyer and are not insured against risks deriving from transport, unless upon written request from Buyer contained in the Order by which Buyer assumes the relative costs and authorizes Hydroservice to debit such costs in the invoice.

2.2. Hydroservice shall deliver the Goods at the dates specified in the Order as confirmed in the Order Confirmation. In case of agreement of a delivery period, the same shall commence only from the date of coming into force of the Contract, or, if an initial down-payment has been agreed upon, 5 (five) working days after the date of crediting such down-payment on Hydroservice’s bank account.

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- 2.3. In case of late delivery for reasons for which Hydroservice or its sub-contractors are directly responsible and following which Buyer incurs in actual damages, Buyer shall be entitled to require Hydroservice to pay an amount of liquidated damages calculated as follows: for each full calendar week of delay exceeding a grace period of 10 (ten) working days, the Price for the Goods delayed will, at Buyer's written request to be made before payment of the respective invoice, be reduced by 1% of the Price of such delayed Goods, up to a maximum of 10% (ten percent) thereof. To the maximum extent permitted by mandatory law, these liquidated damages shall be the sole and exclusive remedy of Buyer for late delivery.
- 2.4. In the event that Buyer does not arrange to take Delivery of the Goods in accordance with these General Terms and Conditions, Hydroservice has the right to charge 0.5% (zero point five percent) per month (calculated *pro rata temporis*) of the invoice value for storage costs (in addition to the amount stated for late payment under clause 5.2.). Storage is provided at Buyer's risk.
- 2.5. Buyer is obliged to check or let check the Goods taken for delivery and report any possible shortages/deficits before accepting delivery by the carrier and, thus, before signing the transport document for receipt.
- 2.6. Any possible latent defects must be notified to Hydroservice by Certified E-mail or registered mail anticipated by e-mail or facsimile, within 8 (eight) days of receipt of the Goods. Absent such notification, Buyer loses its associated rights. The return of Goods or packaging is not accepted without the prior written consent of Hydroservice. In this case, the Goods are transported at Buyer's own risk and expense.

3. Packaging

Unless otherwise agreed in writing, Hydroservice provides packaging according to usual packaging materials and procedures, remaining explicitly discharged of any and liability related to faults and/or damages deriving from packaging which, due to force majeure or negligence by the forwarder, the Goods may suffer or cause during transport.

4. Price

Unless otherwise agreed in writing, the Price for the Goods is that stated in the Order Confirmation. The Price is net/exclusive of sales taxes, indirect taxes, VAT, other taxes or duties, packaging.

5. Payments

- 5.1. The Price shall always be paid via bank credit transfer and credited to the account designated by Hydroservice within the contractually established dates or, unless otherwise agreed, within 30 (thirty) days from the date the invoice is issued.
- 5.2. If Buyer does not pay on the agreed dates of payment, Buyer shall be liable, without a previous formal reminder, for moratory interest applicable under the legislation enacting directive 2011/7/EU against late payments (in Italy: Legislative Decree no. 231/2002 and subsequent amendments), without prejudice to the compensation of any further damages.
- 5.3. If Hydroservice and Buyer agreed on issuing a Letter of Credit by Buyer in favor of Hydroservice, such Letter of Credit shall be irrevocable, extendable, and confirmed by a first class bank having a set and premises in Italy and authorized by the Bank of Italy. Withdrawal of the money under the Letter of Credit shall be against invoice and bill of lading or warehouse receipt.

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6. Warranty

- 6.1. Hydroservice guarantees the Supply for defects according to the terms and conditions of statutory law: the warranty period is 12 (twelve) months from Delivery. Upon expiration, the warranty expires even if the Goods have not been operated for any reason.
- 6.2. In the case of faults, as long as this does not depend on assembly errors by Buyer or third parties, normal wear and tear, faults caused by inexperience or negligence by Buyer or by transport, by unauthorized intervention, by tampering or action effected or caused to be effected by third parties by Buyer, to force majeure, Hydroservice will, throughout the warranty period, repair or replace any defective part of the defective Goods. The modalities for the repair or replacement of the defective Goods will be agreed upon by Hydroservice and Buyer.
- 6.3. Any claims regarding the Goods not compliant with what specified in the Order must be raised in writing within a maximum term of 8 (eight) days from Delivery, when the time for action expires. In case of latent defects, said term runs from the date of discovery. Once the warranty period has expired claims are not accepted, even for latent defects.
- 6.4. Where the claim is timely and justified, Hydroservice's obligation is limited to repair or replacement of the Goods found not in compliance, excluding all rights to Buyer to seek termination of the Contract and/or compensation of damages.

7. Force Majeure

- 7.1. Hydroservice shall not be liable for any non-performance, loss, damage or delay due to insurrection, revolt, revolution, orders from civil or military authorities, state of alarm, mobilization, blockade, riots, war (even in nations indirectly involved in the Supply), earthquake, fire, flood, strikes or labor difficulty, governmental acts such as but not limited to trade restrictions including embargoes, extraordinary and unforeseeable events (Acts of God), acts of the Buyer or its customer, delays in transportation, inability to obtain necessary labor or materials from usual sources, or other causes beyond the reasonable control of Hydroservice. In the event of delay in performance due to any such cause, the date of delivery or time for completion of works will be extended for a time equal to the time lost by reason of such delay. If the grounds for Force Majeure continue for more than 6 (six) months, either Hydroservice or Buyer may withdraw from the Contract upon 30 (thirty) days written notice to the other Party.
- 7.2. Hydroservice shall be entitled to be reimbursed for the extra costs caused by the interruption, or, in case of withdrawal, for the work done prior to withdrawal and the expenses for non-cancelable procurements. Buyer shall be entitled to receive the work for which it has paid.

8. Confidentiality

- 8.1. Any information made available to Buyer by Hydroservice during negotiations and in connection with the Contract are confidential and shall be treated as confidential irrespective of the actual entering into the Contract. Buyer shall take all reasonable precautions in order to ensure that its officers, employees, agents and consultants do not disclose said information. The Buyer shall use the information only for the purposes indicated in the Contract. This confidentiality obligation does not apply to information which Buyer can demonstrate:
 - a) is already in the public domain or becomes available to the public through no breach by Buyer of this confidentiality undertaking; or
 - b) was in Buyer's possession being received by Hydroservice without a confidentiality undertaking;
or
 - c) has thereafter been legally obtained without violating confidentiality obligation vis-à-vis third parties; or
 - d) is developed autonomously by Buyer, without having had access to the information received under the Contract or during negotiations with Hydroservice.

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The obligations set forth in this Article 8 shall apply during the negotiations of any Contract and shall survive any termination and/or expiration of the Contract.

9. Intellectual Property

- 9.1. Buyer shall provide the technical documentation (e.g. up-to-date drawings, descriptions, charts, instructions) which is necessary for the manufacture and delivery of the Goods and is specified in the Contract. Buyer confirms that Buyer is fully authorized to use (or let use) the technical documentation provided to HydroService for the performance of the Supply by HydroService and/or its sub-contractors, respectively.
- 9.2. In case Buyer would not be authorized to order the performance of the Supply to HydroService without violation of intellectual property rights of third parties, or if such right should be challenged, Buyer shall inform HydroService without any delay. In this case, HydroService will suspend the works until the approvals needed for the performance have been obtained and shall be entitled to claim damages for costs incurred and loss of profit caused by the interruption or suspension of the work in progress.
- 9.3. HydroService shall not use technical documentation received from Buyer for any purpose other than to fulfill the Contract.
- 9.4. In relation to the Goods produced according to Buyer's technical documentation, HydroService does not assume any liability whatsoever for infringement of intellectual property rights of third parties, and Buyer shall indemnify fully and hold harmless HydroService against any infringement claims by third parties and reimburse all costs incurred in for the defense.
- 9.5. In case of Goods manufactured based on HydroService designs, projects and know-how, HydroService retains any and all connected intellectual property rights and Buyer undertakes not to disclose, use or reveal in any manner the same, under penalty, in case of violation of such obligation, of the payment of liquidated damages equal to 10% (ten percent) of the value of the supply, but in any case not less than Euro 10.000,00, regardless of the value of the supply, for each violation, without prejudice to HydroService's compensation for additional damages.

10. Documentation for Export and other purposes

- 10.1. HydroService undertakes to provide the documents required by the public authorities at HydroService's place of manufacture and FCA delivery of the Goods.
- 10.2. Buyer undertakes to provide all other documents required, e.g. documents required by an authority at Buyer's or Buyer's Customer's place, or the place where the Goods will be used, as well as all information necessary for the exportation of the Goods.
- 10.3. HydroService, Buyer and Buyer's Customer shall support each other without undue delay if one Party needs information or documentation required by any authority, if such information or documentation can be delivered easier by one of the parties other than the required Party.
- 10.4. The Buyer hereby represents and warrants that it is, and will remain in compliance with the requirements of all applicable export laws and regulations, including but not limited to the U.S. Export Administration Regulations and International Traffic in Arms Regulations. Such requirements include, but are not limited to obtaining all required authorizations or licenses for the export or re-export of any controlled item, product, article, commodity, software or technology. Without limiting the generality of the foregoing, the Buyer hereby represents and warrants that it has not been, and is not currently, debarred, suspended or otherwise prohibited or restricted from exporting, re-exporting, receiving, purchasing, processing or otherwise obtaining any item, product, article, commodity, software or technology regulated by any agency of the United States or any other state. The Buyer agrees to indemnify and hold harmless HydroService from any costs, penalties or other losses caused by, or related to, any violation or breach of the warranties contained in this provision.

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11. Hazard Warning Responsibility

Hydroservice and Buyer acknowledge that each have respective obligations with respect to maintaining compliance with all safety and health related regulations concerning the Goods. Buyer is familiar with the Goods and acknowledges its separate and independent knowledge of such risks, which are known in Buyer's industry. Buyer shall maintain compliance with all safety and health related governmental requirements concerning the Goods and shall take all reasonable and practical steps to inform, warn, and familiarize its employees, agents, contractors, and customers with all hazards associated therewith, including handling, shipment, storage, use and disposal. Buyer assumes as to its employees, independent contractors, and subsequent purchasers of the Goods sold hereunder, all responsibility for all such necessary warnings or other precautionary measures. Buyer shall defend at its own expense, indemnify fully and hold harmless Hydroservice and its agents, officers, directors, employees, representatives, successors, and assigns from and against any and all liabilities, losses, damages, demands, claims, penalties, fines, actions, suits, legal, administrative or arbitration proceedings, judgments of any jurisdiction, costs and expenses (including, but not limited to, Hydroservice appointed attorney's fees and related costs) arising out of or in any manner related to Buyer's failure to provide necessary warnings or other precautionary measures in connection with the Goods sold and the Supply hereunder, save for the limitations provided for by mandatory laws.

12. Express termination clause

Hydroservice may declare the Contract terminated upon the occurrence of any of the following events:

- non-payment by Buyer by the terms agreed in the Price;
- failure by Buyer to fulfill the obligations under Article 8 "Confidentiality" and Article 9 "Intellectual Property";
- failure by Buyer to fulfill the obligations under Article 10 "Export and other Documents".

Hydroservice shall notify Buyer of its intention to avail itself of the express termination clause with formal notification by Certified E-mail or registered mail anticipated by e-mail or facsimile or courier. The termination of the contract will be effective from the date of receipt by Buyer of such a letter.

13. Termination for non-fulfillment

Each Party, before acting for the termination of the Contract, shall give a formal notification to the other Party to remedy the non-performance within a minimum period of 15 days. In any case, the Buyer may not claim the termination of the Contract if Hydroservice has started to remedy before the expiry of the term indicated above and, thus continued in good faith to execute the Contract with due diligence.

14. Limitation of Liability

14.1. Notwithstanding anything to the contrary in the Contract, including all documents making part thereof, and to the maximum extent permitted by law, in no event shall Hydroservice be liable to the Buyer or its customer for any indirect, incidental or consequential damages in connection with the Contract, including but not limited to, loss of profits or interruption of production, loss of opportunity or business, delay in delivery (except as expressly provided

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in Article 2.3. hereof), or claims by the Buyer's customer for such damages, whether such liability is based on Contract, on the duty to indemnify the other Party, on tort, on statute or on any other basis of legal liability.

14.2. To the maximum extent permitted by law, the remedies of Buyer set forth herein are exclusive, and Hydroservice's liability with respect to any Contract or sale or any act or behavior in connection therewith, whether such liability is based in Contract or in tort, or by virtue of any warranty, strict liability or otherwise, shall never exceed 100% of the Price of the Contract.

15. No Assignment

Buyer shall not assign the Contract or single obligations thereof to other parties, except with the prior written consent by Hydroservice. Any attempt to assign, transfer, or delegate any of the rights, duties or obligations herein to a third party without prior written consent of the other party shall render such attempted assignment or transfer null and without effect.

16. No Waiver of Rights

Hydroservice's or Buyer's failure to exercise any of its rights shall not constitute or be deemed a waiver or a forfeiture of such rights.

17. Severability

If a provision of the Contract is determined to be void or unenforceable, this finding shall not render other provisions void or unenforceable, and Hydroservice and Buyer shall make their best endeavors to replace such provision by a valid one covering the original commercial intention.

18. Governing Law and Jurisdiction

18.1. These General Terms and Conditions, as well as the Order and/or any Contract shall be governed solely by, and construed and enforced in accordance with, Italian law, this jurisdiction being expressly accepted by Hydroservice and Buyer. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG) shall be excluded.

18.2. Hydroservice and Buyer expressly agree that all disputes arising out of or in connection with these General Terms and Conditions, as well as the Order and/or any Contract, including any question regarding its existence, validity or termination, shall be referred to the exclusive jurisdiction of the Court of Milan, Italy.

19. Data Privacy

In the performance of the services covered by this contract Hydroservice undertakes to process the Buyer's personal data in compliance with EU Regulation no. 679/2016 and the Legislative Decree of 30 June 2003, n. 196 (Code regarding the protection of personal data) s.a.a., with the provisions related to the execution of the Contract and for the fulfillment of all legal obligations, including of a fiscal, accounting or anti-money laundering nature. The information is available on the website www.hydroservice.it.

In particular, the data collected are those identifying the Buyer, as well as other information such as domiciliation, bank current account details and commercial information, collected from the interested party, or from public registers, lists, deeds or documents that can be known by anyone. The provision of the aforementioned data is necessary for the purposes of the execution of the Contract. The aforementioned data will be collected, recorded, reordered, stored and managed by Hydroservice through every appropriate manual and IT processing operation for functional purposes throughout the exercise of the rights and the fulfillment of the obligations deriving from this Contract. In any case, the data will be processed using instruments that guarantee security and confidentiality by

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being assisted by manual, IT and telematic means in a manner strictly related to the purposes of the processing indicated above. The data could be communicated to subjects charged with making collections and payments, to banks, credit assignees, to public authorities or administrations for legal purposes, to group companies, to the sales and service network, to legal and technical consultants, a company that establishes the trade of computer hardware and software. Hydroservice undertakes to apply all the organizational, physical and logical measures necessary to guarantee, according to the knowledge acquired and on the basis of technical progress, the maximum reduction of the risks of accidental destruction or loss, unauthorized access, non-guaranteed treatment or not compliant with the purpose of data collection. Furthermore, Hydroservice undertakes to comply with the minimum security measures envisaged by EU Regulation no. 679/2016 and by Legislative Decree 196/2003 and subsequent amendments and additions.

Referring to the aforementioned treatments, the Buyer will have the right to exercise the following rights:

- a) obtain confirmation of the existence or not of data concerning him, even if not yet registered;
- b) obtain communication in an intelligible form of the data and their origin, as well as the logic and purposes on which the processing is based;
- c) obtain the cancellation, transformation into anonymous form or blocking of data processed in violation of the law, as well as the updating, rectification or integration of data;
- d) object, in whole or in part, for legitimate reasons to the processing of data;
- e) obtain data portability;
- f) revoke the consent to the processing of personal data;
- g) submit a complaint to the Guarantor for the protection of personal data in the event of violation of privacy laws.

Place and date Buyer's stamp and authorized signature

Buyer hereby represents to have acknowledged and expressly accepts and approves the following Articles:

2. Delivery; 3. Packaging; 6. Warranty; 7. Force Majeure; 8. Confidentiality; 9. Intellectual Property; 10. Documentation for Export and other purposes; 11. Hazard Warning Responsibility; 12. Express termination clause; 13. Termination for non-fulfillment; 14. Limitation of Liability; 18. Governing Law and Jurisdiction.

Place and date Buyer's stamp and authorized signature

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