

GENERAL CONDITIONS OF SALE

1. Definitions.

Buyer: who submits an Order to CTS S.p.A.

Conditions: these General Conditions of Sale.

Contract: the provisions of the Conditions, of the Order and of the Order Confirmation.

CTS S.p.A.: Composite Technical Systems S.p.A.

Order: the document (and its attachments) signed by the Buyer and submitted to CTS S.p.A. for acceptance whereby the Buyer orders from CTS S.p.A. Products. The definition of Order also includes the changes to an Order accepted by CTS S.p.A. after the signature of the Contract.

Order Confirmation: the written communication whereby CTS S.p.A. confirms the acceptance of an Order to the Buyer, thus stipulating the Contract.

Party: the Buyer and/or CTS S.p.A.

Parties: the Buyer and CTS S.p.A.

Price(s): the price(s) indicated in the Order Confirmation.

Product(s): the good(s) specified in the Order Confirmation.

2. General Provisions.

2.1 These Conditions apply to any agreement executed between CTS S.p.A. and the Buyer for the sale of the Products, with no need of express reference thereto or agreement thereon at the conclusion of such transaction. Any derogation will only apply if confirmed in writing by CTS S.p.A. In case of contradiction between these Conditions and any special condition agreed upon between the Parties on the Order Confirmation, the special conditions will prevail. Any eventual general purchase conditions applied by the Buyer, also where indicated in the Order and/or in the reverse of the Order, will be binding only if expressly accepted in writing by CTS S.p.A..

2.2 CTS S.p.A. reserves the right to modify these Conditions, by including such variations in the offers or in any other written message sent to the Buyer.

2.3 Any reference made to trade terms (such as EXW, CIP, etc.) is deemed to be made to Incoterms published by the International Chamber of Commerce and current at the date of conclusion of the Contract.

3. Structure of the Contract.

3.1 Any Order submitted by the Buyer must be sufficiently detailed, including in particular indication of quantities, name of the products required and delivery time. CTS S.p.A. reserves the right not to consider an incomplete Order.

3.2 The Contract is signed between the Parties when CTS S.p.A., after receipt of the Order, notifies the Buyer in writing about the acceptance of the Order itself, sending the Order Confirmation. Upon receipt of the Order Confirmation, the Buyer must verify all the information provided therein. The Order Confirmation is considered accepted by the Buyer if not challenged by the latter in writing within 5 (five) working days from the receipt and in any case when the Order Confirmation is sent back to CTS S.p.A. signed for acceptance.

3.3 Orders duly confirmed by CTS S.p.A. can be revoked by the Buyer only with the prior written consent of CTS S.p.A.. In such case, CTS S.p.A. has the right to obtain a proper compensation for all the expenses sustained due to the execution of the Contract.

4. Characteristics of the Products – Modifications.

4.1 CTS S.p.A. is solely bound to features and technical information contained in the official papers ("Quick Starter Guide" and "Instruction Manual") and commits itself only with regard to the homologations here provided, without any involvement in case of abuse of the Products by the Buyer.

4.2 Any further information or data relating to technical features or specifications of the Products contained in dépliants, price lists, catalogues and similar documents will be binding only to the extent they are expressly referred to in the Contract.

4.3 CTS S.p.A. may make any change to the Products which, without altering their essential features, appear to be necessary or suitable.

5. Time of delivery.

5.1 Delivery dates are established by the Parties in the Contract.

5.2 With "delivery date" the Parties mean the date of issue by CTS S.p.A. of notice of goods ready or notice of shipment to the Buyer, or consignment to the carrier or shipper indicated thereby in the Order.

5.3. In order to calculate delivery dates, weeks of 5 (five) working days, excluding public holidays, are considered.

5.4 If CTS S.p.A. expects that it will be unable to deliver the Products at the agreed date, it must inform the Buyer within the shortest delay, in writing, of such occurrence, stating, as far as possible, the estimated date of delivery. The Buyer will accept the delivery of the Products ordered also after the date of delivery originally agreed.

5.5 It is agreed that if a delay for which CTS S.p.A. is liable lasts more than 6 (six) weeks, the Buyer may terminate the Contract with reference to the Products whose delivery is delayed, by giving a 10 (ten) days' notice, to be communicated in writing to CTS S.p.A.

5.6 Any delay caused by force majeure (as defined in art. 10) or by acts or omissions of the Buyer (e.g. the lack of indications which are necessary for the supply of the Products), shall not be considered as a delay for which CTS S.p.A. is liable.

5.7 Except in case of fraud or gross negligence of CTS S.p.A., any claim for damages arising out of non-delivery or delay in delivery is expressly excluded.

5.8 CTS S.p.A. may extend the delivery date if the Buyer fails to perform its contractual obligations on time, and in particular:

- a) if the Buyer fails to effect payments timely;
- b) if the Buyer fails to provide the data necessary at the delivery date before or during production;
- c) if the Buyer requests change during the processing of the Orders.

5.9 If delivery is not made due to any events independent from CTS S.p.A., the delivery is considered as made to all effects upon simple notice of goods ready.

6. Delivery and Shipment – Complaints.

6.1 Except as otherwise agreed in writing, CTS S.p.A. supplies its Products Ex Works (EXW), by delivery of the Products to the Buyer or to a third party appointed in time by the Buyer.

6.2 If the Parties agree that CTS S.p.A. will take care, in whole or in part, of the shipment, the Buyer authorizes CTS S.p.A. to choose and appoint, on behalf of the Buyer, a carrier or a shipper, holding CTS S.p.A. harmless from any liability for the selection. The Products are always carried at the expense of the Buyer and are not insured against risks deriving from transport, unless upon written request from the Buyer contained in the Order through which the Buyer undertakes to pay the relative costs.

6.3 In any case, all the risks will pass to the Buyer by delivery of the Products to the Buyer itself or to the first carrier or shipper, even when the shipment is charged by CTS S.p.A.

6.4 If delivery is delayed or it becomes impossible due to any reason not attributable to CTS S.p.A., the storage of the Products is provided at the Buyer's expense and risk.

6.5 The Buyer must check quantities and packing of the Products and record any objections on the delivery note, in accordance with the formalities required for the respective mode of transport.

6.6 Any complaints relating to packing, quantity, number or exterior features of the Products (apparent defects), must be in any case notified to CTS S.p.A., by registered letter with return receipt, within 8 (eight) days from receipt of the Products; failing such notification the Buyer's right to claim the above defects will be forfeited.

6.7 Any complaints relating to defects which cannot be discovered on the basis of a careful inspection upon receipt (hidden defects) must be notified to CTS S.p.A., by registered letter with return receipt, within 8 (eight) days from discovery of the defects and in any case not later than 12 (twelve) months from delivery; failing such notification the Buyer's right to claim the above defects will be forfeited.

6.8 It is agreed that any complaints or objections do not entitle the Buyer to suspend or to delay payment of the Products as well as payment of any other supplies.

7. Prices.

7.1 Unless otherwise agreed in writing, Price is to be considered Ex Works (EXW), for Products packed according to the usages of the trade with respect to the agreed transport means. Price does not include VAT, custom duties and in general any tax or financial charges connected with sale and export.

7.2 The Price agreed does not bind CTS S.p.A. in the case of changes to the quantities and/or quality of the Products to be provided and will be updated in the case of extension of the delivery schedule for the reasons foreseen under Article 5 (Time of Delivery) of the Conditions.

8. Payment Conditions.

8.1 The Buyer must pay the Price via bank credit transfer to the account designated by CTS S.p.A. within the established date or, unless otherwise agreed, within 30 (thirty) days from the date the invoice is issued.

Payment is deemed to be made when the respective sum is at CTS S.p.A.'s disposal at its bank in Italy.

8.2 If it is agreed that payment must be backed by a bank guarantee, the Buyer must put at the disposal of CTS S.p.A., at least 30 (thirty) days before the date of delivery, a first demand bank guarantee, issued in accordance with ICC Uniform Rules for Demand Guarantees by a primary Italian bank and payable against on simple declaration by CTS S.p.A. that it has not received payment within the agreed term.

8.3 If the Parties have agreed on payment in advance, without further indication, it will be assumed that such advance payment refers to the entire Price. Unless otherwise agreed, the advance payment must be credited to CTS S.p.A.'s bank account at least 30 (thirty) days before the agreed date of delivery.

8.4 If the Parties have agreed on payment by documentary credit, the Buyer must, unless otherwise agreed, take the necessary steps in order to have an irrevocable letter of credit, to be issued in accordance with the ICC Uniform Customs and Practice for Documentary Credits (UCP), notified to CTS S.p.A. at least 30 (thirty) days before the agreed date of delivery. Unless otherwise agreed, the letter of credit shall be confirmed by an Italian bank agreeable to CTS S.p.A. and shall be payable for sight.

8.5 If the Parties have agreed on payment against documents (documentary collection) payment will be, unless otherwise agreed, Documents Against Payment.

8.6 Unless otherwise agreed, any expenses or bank commissions due with respect to the payment shall be for the Buyer's account.

8.7 In the event of late payment at the agreed deadlines, the Buyer must pay interests for late payment pursuant to Legislative Decree n. 231 of October 9, 2002. If the delay exceeds 30 (thirty) days from the agreed deadline, CTS S.p.A. may terminate the Contract, retaining the part of the Price already paid and claiming the return of the Products delivered, at the Buyer's expense, plus possible damages.

In such case, CTS S.p.A. shall notify the Buyer of its intention to terminate the Contract with formal notification by registered letter with return receipt. The termination of the contract will be effective from the date of receipt by the Buyer of such letter.

8.8 Any claims or disputes give no right to the Buyer to suspend or delay the payment of invoices.

8.9 Even if not previously agreed, if CTS S.p.A. has reason to fear that the Buyer cannot or does not intend to pay the Products at the agreed date, it may make delivery dependent on obtaining an appropriate payment guarantee (e.g. bank guarantee).

9. Suspension of deliveries.

9.1 If the Buyer fails to make one or more payment at the agreed date, or if it fails to fulfill any of its contractual obligations, CTS S.p.A. may suspend deliveries.

9.2 CTS S.p.A. may suspend deliveries also after the execution of the Contract if the Buyer's economic condition change substantially, as well as in the case of one or more protest of bills, enforcement proceedings, establishment of pledges or mortgages, application for temporary receiverships, composition with creditors, or termination of business.

10. Force Majeure.

10.1 In this Article 10, Force Majeure means any unforeseen act or event beyond the reasonable control of the Party concerned, such as (but not limited to), earthquake, flood, storm, fire, terrorism, strike, sabotage, lockout, accident, epidemic, war (whether declared or not), civil war, riot, insurrection, revolution, requisition, embargo, delay in delivery of required components or raw material.

10.2 A Party prevented to fulfill its obligations duly and timely because of an act or event of Force Majeure shall inform the other Party promptly in writing, specifying the cause of Force Majeure and how it may affect its performance and shall make best efforts to terminate or remove as soon as practicable the Force Majeure circumstances. Both Parties agree to consult each other in order to minimize all damages, costs and possible other negative effects.

10.3 The Party prevented to fulfill its obligations has the right to suspend performance of such obligations as long as such Force Majeure lasts

10.4 If the suspension of performance of such obligations lasts more than 30 (thirty) days, each Party may terminate the Contract giving a written notice to the other Party.

11. Warranty for defects.

11.1 CTS S.p.A. hereby represents and warrants that the Products are free from defects and comply with the technical specifications forwarded by CTS S.p.A.

11.2 CTS S.p.A. shall remedy any defect, lack of quality or non-conformity of the Products for which it is liable, occurring within 12 (twelve) months from delivery of the Products, provided such defects have been timely notified in accordance with articles 6.6. and 6.7.

In such case CTS S.p.A. will, at its choice, repair or replace the Products (or the parts of the Products) which result to be defective.

11.3 Once the defects have been timely notified, the Buyer must complete the RMA form, available on CTS S.p.A.'s website/ which has to be required to CTS S.p.A., and send it to CTS S.p.A., in accordance with the instructions there provided. After the acceptance of the RMA by the Technical Department of CTS S.p.A, the Buyer will deliver the Products claimed to be defective at CTS S.p.A.'s legal office, or in any other place previously indicated by CTS S.p.A., where such Products can be properly checked. Unless otherwise agreed, the shipment of any Product claimed to be defective by the Buyer to CTS S.p.A., is at the expense and risk of the Buyer, who must arrange proper insurance coverage. The return procedure of the Products claimed to be defective will be managed according to the RMA conditions, included in the above-mentioned RMA form.

11.4 The warranty will not apply for the Products which result to be used or maintained in a negligent or improper way, or not in accordance to CTS S.p.A.'s instructions ("Quick Starter Guide" and "Instruction Manual"). The warranty will not apply also for Products which result to be anyhow modified, repaired or entirely or partially disassembled.

11.5 The warranty also excludes damages and defects due to external components assembled by the Buyer itself or by a third party without the prior written consent of CTS S.p.A.

11.6 Repair or replacement will be executed only if the Buyer has paid the entire Price of the Products. In any case, the Buyer may not suspend performance of the obligations when this warranty is invoked. The term for the repair or replacement of the defective Products will be agreed by CTS S.p.A. and the Buyer.

12. Limitation of Liability.

12.1 Without prejudice to the mandatory provisions of law, the liability of CTS S.p.A. towards the Buyer for direct damage under the Contract, any other kind of damage, and for any other existing form of damages or compensation envisaged by law or by the Contract cannot in aggregate exceed 100% of the Price.

12.2 Except in case of fraud or gross negligence of CTS S.p.A., in case of defects, lack of quality or non-conformity of the Products, the obligation undertaken by CTS S.p.A. under Article 11.2. is in lieu of any other legal guarantee or liability provided by law. It is agreed that any other liability of CTS S.p.A. (both contractual or extra-contractual) which may arise from the Products supplied is expressly excluded.

12.3 CTS S.p.A. shall not be required to compensate the Buyer for loss of profits and/or any indirect and/or intermediate damage. For example, but not limited to the following, CTS S.p.A. shall not be required to pay damages for loss of sales, loss of profit, loss of image. In any case, CTS S.p.A. shall not pay the Buyer any damages that the Buyer might be obligated to pay third parties for any reason.

13. Retention of title.

13.1 Ownership of the Products does not pass to the Buyer until the entire Price has been paid to CTS S.p.A. Until that time, the Buyer shall keep the Products separate from those of the Buyer and third parties and properly stored, protected and insured.

14. Export control and sanctions compliance.

14.1 Buyer agrees that, in connection with the Products supplied by Seller, will not contract with or otherwise do business with any individual, company, organization or other entity involved with any country or territory that is the subject of any financial and economic sanctions or trade embargoes or otherwise identified on a list of prohibited, sanctioned, or denied parties, including those imposed by the European Union, U.S. government or United Kingdom without having first obtained any required license or other government authorization or in any manner which would result in a violation of sanctions by Buyer or Seller.

15. Intellectual Property Rights.

15.1 All data, information, documents, technical specifications, drawings, schematics, tests, inventions, samples, prototypes, models and/or equipment (hereinafter collectively indicated as "Technical Documentation") supplied by CTS S.p.A., directly or indirectly, remain the sole and exclusive property of CTS S.p.A. and shall be held in confidence by the Buyer. The Buyer shall use the Technical Documentation only for the performance of the Contract. The Buyer shall not communicate to third parties, or reproduce the Technical Documentation received without the prior written authorization of CTS S.p.A. The Buyer shall return the Technical Documentation to CTS S.p.A. with all copies (if any) upon simple request from CTS S.p.A. whenever the said Technical Documentation is no longer necessary for the performance of the Contract, unless otherwise agreed by the Parties.

15.2 Trademarks, commercial names or other distinctive marks on the Products are in the exclusive property of CTS S.p.A. and they shall not be altered, changed, removed or cancelled in any way. Without prior written consent of CTS S.p.A., the Buyer shall not use any trademarks, trade names or other distinctive marks of CTS S.p.A. in its advertising or promotional materials. The Buyer shall not resell the Products under any brand name other than CTS S.p.A.

15.3 If the Buyer fails to respect any of the provisions of this Article, CTS S.p.A. may terminate the Contract. In such case, CTS S.p.A. shall notify the Buyer of its intention to terminate the Contract with formal notification by registered letter with return receipt. The termination of the contract will be effective from the date in which the Buyer receives such letter.

16. Applicable law, Jurisdiction and Arbitration.

16.1 The Contract shall be governed by Italian law.

16.2 If the Buyer has its registered office inside European Union, any dispute arising from or in connection with the Contract shall be settled by the competent Courts of the place where CTS S.p.A. has its registered office.

16.3. If the Buyer has its registered office outside European Union, any dispute arising from or in connection with this Contract shall be finally settled by arbitration under the Arbitration Rules of the Milan Chamber of Arbitration by a sole arbitrator appointed in accordance with the said Rules. English shall be the language used during the arbitration.

16.4 In any case, whether the Buyer has its registered office inside or outside European Union, CTS S.p.A. shall be entitled to submit its action to the competent Court of the place where the Buyer has its registered office.

17. Applicable version.

17.1 These Conditions have been written both in Italian and in English. In the events of conflicts or doubts regarding the interpretation of the Conditions, the Italian version shall prevail.

18. Invalid clauses.

18.1 The Parties hereby agree that if any provision of these Conditions is invalid or unenforceable, such provision is severed from these Conditions and all the other provisions remain in full force and effect.

The Buyer

[date, stamp and signature]

Pursuant to Article 1341 of the Italian Civil Code, the following clauses are specifically accepted and approved:

3. Structure of Contract.
4. Characteristics of the Products – Modifications.
5. Time of delivery.
6. Delivery and Shipment – Complaints.
8. Payment Conditions.
9. Suspension of deliveries.
11. Warranty for defects.
12. Limitation of Liability.
14. Export controls and sanctions compliance.
15. Intellectual Property Rights.
16. Applicable law, Jurisdiction and Arbitration.
18. Invalid clauses.

The Buyer

[date, stamp and signature]