

General Terms and Conditions for Supply Sale

1- Quotes, orders and contract finalization

Quotes issued by P.M.E. are non-binding. Orders shall be deemed valid only if submitted in writing and delivered to P.M.E., even via e-mail or fax, to the contacts addresses provided by P.M.E. No contract shall be deemed finalized between P.M.E. and the Customer until P.M.E. submits proof of acceptance in writing by issuing an order confirmation to the Customer at the address provided by the same.

2- Specifications of Supplied Products

Any and all information or data pertaining to the characteristics and/or specifications of the products contained in catalogs, leaflets, technical data sheets, price lists and general P.M.E. documents are for illustrative purposes only and non-binding. P.M.E. reserves the right to apply modifications to products sold which, without altering the essential specifications of the same, may be deemed necessary and suitable.

3- Prices and Payments

Sale prices shown are net, excluding VAT, transportation and packaging, if required.

Payments must be made in accordance with terms of payment specified on the order confirmation.

In the event of delayed payments, late payment interest will be applied at the rate established by the Legislative Decree 09.10.2002 No. 231.

4- Price revision

The price specified on the order confirmation, unless otherwise agreed, is understood to be fixed until the delivery date. If, for reasons not attributable to P.M.E., the delivery date is extended, P.M.E. reserves the right to apply any price increase occurring over the intervening period, plus any additional detention and storage charges.

5- Delivery and Transportation

It is understood that all delivery times are approximate.

Delivery times are suspended in the event of strike at the seller workforce, difficulty of the same in procuring raw materials or semi-finished products, delayed or failed delivery by P.M.E. Suppliers or equipment faultiness in their production departments.

In the event of failure to fulfill, albeit only partially, one of the terms of the supply agreement, or in the event that variations of any kind should occur in the capital, net worth or business name of the purchasing company, and also in the event of the Customer experiencing verifiable solvency problems, even towards third parties, P.M.E. will be entitled to suspend deliveries, even in the case of confirmed orders.

6- Supply Warranty

P.M.E. warrants that its products and replacement parts shall be free from defects in material and workmanship. Warranty shall be limited to the repair or replacement by P.M.E, at its sole option, of those parts that are proven to be defective due to sub-standard material quality or manufacturing flaws within 12 months from delivery, if sold as Factory New, or within 6 months, in the case of refurbished machinery and/or compressors. Under penalty of voiding warranty, the Customer must notify and submit evidence of any defects to P.M.E. within 8 days from their having discovered said defects. The warranty shall cease 12 months after delivery even if, for any reason whatsoever, the products have not been commissioned. The Customer shall lose the right to warranty coverage if alterations or repairs are performed on the product either directly or by third parties without

P.M.E.'s authorization. The warranty does not cover compressors which have been deprived of their identification plate or opened, or which are found to be not hermetically closed upon delivery. The return of the compressor must be agreed to by P.M.E. and preceded by the dispatch of the inspection and repair sheet containing, among other things, the compressor details (model and serial number), function data, electrical data, type of coolant used in the refrigeration circuit, and any other information useful to understand the compressor application and the type of malfunction detected, in addition to the documents of purchase (order, invoice, etc.). The cost of labor for the disassembly of the defective product parts and the assembly of parts sent as replacement shall be borne by the Customer, in addition to all travel expenses incurred by personnel performing said interventions at the Customer's location or at the location where the product is installed. The defective parts must be returned carriage paid to P.M.E. offices by the Customer, who shall also bear all shipping costs for the parts repaired or sent as replacement. The above-mentioned warranty substitutes and excludes any further warranty or liability claims of any kind against P.M.E. The Customer is entitled to warranty coverage only if all payment obligations have been met within the agreed upon deadlines and all other obligations have been complied with. Compensation liability for indirect or consequential damages shall be excluded. In the event of malfunctions affecting compressors that have been individually supplied, a request may be filed to have the warranty claim verified by the Manufacturer who, at its sole discretion, shall then draft a written report stating the probable causes which may have determined the malfunction and whether warranty coverage applies or not. The Buyer shall bear any and all expenses deriving from said request. A new order shall be issued for all compressors supplied in replacement of the ones sent to the Manufacturer for inspection, regardless of the outcome and the duration of the verification. In addition to the above, we wish to specify the following: The Manufacturer performs the warranty verification in the amount of time it deems appropriate and is not obligated to allow the Customer to participate in the disassembly of the compressor. Any analysis performed on compressors is of destructive type, which means that the returned compressor is cross-sectioned, disassembled and its components inspected, and the analysis report is drafted only after said testing is completed. Following the analysis, the compressor is scrapped by the manufacturer, restitution is thus not contemplated. Consequently, a compressor that has been replaced for a probable defect but does not, however, turn out to be defective following the analysis, is nonetheless subjected to the procedure described above. In those cases in which the malfunction information submitted by the customer is insufficient to determine whether the compressor is covered by the warranty or not, in order to proceed with the claim an in-depth analysis must be carried out, the cost of which is borne entirely by the customer (should the warranty not be honored). To initiate a request for warranty verification we require you to submit a report printed on letterhead stating the following information:

- Model and serial number
- Type of appearing malfunction
- Useful references (DDT or Sale Invoice)
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7- Complaints

Every complaint or claim must be submitted within 7 days after the date of receipt. Past this deadline, the goods shall be deemed to have been duly accepted by the Customer.

8- Returns

Returning goods will only be accepted if delivered to us freight prepaid by the Customer. All returns must be authorized by P.M.E.; returns with sale date exceeding a 1 (one) month period shall

not be accepted. Returning goods shall be subject to a devaluation fee equal to 20% of the purchase price. In any case, goods being returned must show no signs of wear or tampering and must be delivered in the original packaging.

9- Limitation of liability

P.M.E., except as specifically agreed under the first paragraph of point 6, shall be discharged from any and all liabilities and consequent compensation for damages deriving from non-compliance with the obligations for which it is responsible. For example, the Customer may not demand compensation for damages pertaining to loss of profit or revenue, financial costs, damages and losses deriving from the impossibility to manufacture, costs for the non-utilization or the replacement of sold products with other equipment, structures or services, damages linked to the impossibility of fulfilling contractual obligations taken on by the Customer, of any and all indirect damages, including possible compensation claims from third parties, both private and public, pertaining to environmental damages however connected with the supply of products provided by P.M.E.

10- Alterations

Any and all exceptions or additions to the text of these General Conditions shall be invalid unless executed in writing and expressly approved by both parties hereto.

11- Place of jurisdiction

Any and all disputes arising from the sale on the matter of validity, effectiveness, execution or interpretation of the above drafted General Terms fall within the Italian Jurisdiction and shall be submitted to the sole and exclusive competence of the Court of Tivoli, who shall adjudicate according to the provisions of law contained in the Italian Civil Code, to which legislation both parties shall refer for any and all aspects not expressly stated herein. The Italian version of the signed contract is legally binding.

12- Information on Privacy

Pursuant to Article 13 of Legislative Decree 196/03 personal data disclosed by the Customer or otherwise acquired in the context of P.M.E. business activity, shall be subject to processing in compliance with the referenced provisions of law and the commitment to confidentiality that inspire and inform P.M.E.'s operations. The collected data shall not be disseminated to third parties except under anonymous and compiled form so as to ensure an effective implementation of the contract. Data shall be processed using instruments that adequately guarantee safety and confidentiality. The Customer has been informed that in relation to the aforementioned data processing, the rights set out in Article 7 of Legislative Decree 196/03 and previously referred to may be exercised.

For further information contact info@pmeparts.it

P.M.E. srl