



GENERAL SALES CONDITIONS FOR THE SUPPLY OF SCREWS AND MECHANICAL FASTENERS

Rev. No. 4 dated January 17, 2019

1) GENERAL NOTES

The following general terms of delivery are valid and enforceable in all business practices of MECAVIT S.r.l. in the field of mechanical fasteners and their accessories and all products manufactured, assembled, purchased from MECAVIT S.r.l. These terms and conditions are in accordance with the current legislation and provide the legal basis for any contract signed with MECAVIT S.r.l. except, when expressly waived in writing, for special orders or agreements.

The present terms are an essential part of the supply contract executed by MECAVIT S.r.l. in favour of the Customer. Therefore, the below mentioned general conditions of supply, concern all contracts and all orders executed, even if not expressly confirmed by the Customer, including orders placed as "open orders".

In any case, these conditions shall be considered automatically accepted by the Customer on the first Product delivery. The Customer, within its competence, is bound to implement all the measures and activities provided for in this document.

2) SCOPE OF THE CONTRACT

The following points are considered integral parts of the contract signed by MECAVIT S.r.l.:

- a) these general supply conditions, which shall be considered anyway applicable, independently of Customer's express written acceptance;
- b) all special conditions expressly indicated and accepted by MECAVIT S.r.l. and the Customer;
- c) MECAVIT S.r.l. documentation in completion of the general conditions of supply;
- d) any technical document, study, report, for whatever reason sent by MECAVIT S.r.l. to the Customer;
- e) the delivery note;
- f) the invoice.

Advertising papers, leaflets, samples, catalogues, price lists or any other material used or sent by MECAVIT S.r.l. to the Customer before or during the execution of the supply will not be considered substantial elements of the contract.

3) ORDERS AND FORMALIZATION OF THE CONTRACT

By order it is meant any document received by the customer, containing the elements identifying the supply to be prepared, such as quantity, product description and price. Order shall be converted into a binding contract by the order confirmation issued by MECAVIT S.r.l. (this to be accepted by the Customer either implicitly within the term of 5 days or explicitly in any written form - fax, e-mail, etc. -) or at the time of execution of the first delivery accepted by the Customer.

The acceptance of the product by the Customer will be considered as acceptance of the terms and conditions of supply set forth herein.

3.1 - Closed Order

In a closed order all terms and conditions are clearly defined (type and quantity of the product, price, delivery terms and delivery dates).

3.2 - Program Order

A program order is when all terms and conditions are indicated (type, quantity and price of the Product) and the delivery times are planned in a predetermined time schedule.

3.3 - Blanket Order

A blanket order is when the type of product and its unit price are established, and the estimated total quantity foreseen needed by the Customer is indicated. The Product quantity to be delivered will be called-off time by time in an adequate advance, to be agreed at the time of the blanket order.

3.4 - Changes in orders

Any modification to the contract the Customer might request must be expressly accepted by MECAVIT S.r.l., by issuing a revised order confirmation. Failing express acceptance, the previously agreed contract terms shall be considered unchanged, being understood in any case the application of these general supply conditions.

3.5 - Cancellation of Closed Order or reduction below minimum quantities of blanket order.

In no event, except in case of force majeure, the Customer can cancel a closed order or reduce a blanket order below the minimum quantity required. If the Customer wishes to proceed in this action, he shall notify his request in writing to MECAVIT S.r.l., who will accept or reject the request within 10 days, or inform the Customer about the relative cost.

In determining the cost for cancellation or reduction, MECAVIT S.r.l. is entitled to consider all expenses incurred concerning procurement of otherwise unusable raw material and stocks, equipment, study and planning, within the limits of the unrecovered part, and in any case, all costs and any direct and indirect economic consequence for MECAVIT S.r.l.

MECAVIT S.r.l. may withhold the amounts received from the customer paid by any title (even as co-payment for equipment and/or moulds) against a greater amount due.

3.6 - Effects on Stock

MECAVIT S.r.l., upon specific agreement, is available to keep a stock sufficient to fulfil in time Customer's requirements according to open orders, and undertakes, in the event of long term supplies, to implement his stock quantities in order to satisfy also slightly increased quantities of ordered products. At the completion of the open order and in the absence of new orders and/or continuation of supply, the Customer will be required to collect and pay the remaining product stored at the warehouses of MECAVIT S.r.l.

4) PRELIMINARY AND/OR ADDITIONAL ACTIVITIES CONCERNING THE ORDER

4.1 - Drawings and prescriptions

All documents, drawings, estimates, technical reports, evaluations, offers, analysis and any processed data that in any way, Customer and MECAVIT S.r.l. will have exchanged before or during the execution of the order, shall be considered as transmitted only for the specific intended use. The transmission does not involve transfer of ownership or rights to use by any title.

The receiver is therefore not allowed to use the material received for any other purpose. Customer and MECAVIT S.r.l. will keep their property rights, including intellectual rights, on all exchanged documentation. Customer and MECAVIT S.r.l. are bound by strict confidentiality and secrecy, as established in paragraph 6, to the content of the documents exchanged.

4.2 – Sample return

All samples, prototypes, pre-series, pre-finished or semi-finished items, or in any case, any manufactured part sent by MECAVIT S.r.l. to the Customer are and remain a property of MECAVIT S.r.l. and the Customer is allowed to use them only for the purposes specified in the contract signed with MECAVIT S.r.l.

The Customer is responsible for the safekeeping of what he has received and engages himself to return all received items as soon as the contract is cancelled or within 15 days from express request by MECAVIT S.r.l. The Customer shall treat all received items with utmost secrecy and confidentiality and is not entitled to have at his free disposal, not even for the purpose of directly or indirectly carrying out tests, the items received by MECAVIT S.r.l. without his preliminary written consent. In case of infringement of this clause, MECAVIT S.r.l. is entitled to interrupt any supply and ask for a compensation of damages.

4.3 - Equipment Preservation

The equipment, the moulds and any item, even subject to wear and tear, necessary for the realization of the Product destined to the Customer, are exclusive property of MECAVIT S.r.l., unless otherwise agreed in writing. MECAVIT S.r.l. may ask the Customer to share the costs for machine setting and preparation of samples. Also in that case, equipment, moulds and everything else needed for the production will remain exclusive property of MECAVIT S.r.l.; therefore, the costs sharing does not guarantee the Customer the right to use any intellectual property or know-how.

5) CHARACTERISTICS AND STATE OF THE ORDERED PRODUCTS

5.1 - Destination of products

MECAVIT S.r.l. engages itself to manufacture the Product in accordance with the technical specifications agreed upon with the Customer. The Customer shall be liable for the use of the Product, which has been

manufactured according to the specifications, drawings, samples, etc., forwarded by the Customer to MECAVIT S.r.l.

MECAVIT S.r.l. shall not be liable for any non-allowed, for incorrect or not allowed use of the Product supplied. MECAVIT S.r.l. may refuse further deliveries or may indicate the price difference due to manufacturing costs related to any changes to the product itself or to the production process.

5.2 - Product Packing

MECAVIT S.r.l. shall deliver the Product, unless otherwise specified and agreed upon customer request, packed in compliance with safety and hygiene regulations in force. Products are packed in carton boxes of different dimensions with glue closure, with a maximum weight of 15 kg; boxes are stacked on wooden EPAL pallets. On each box label with Company logo and all product details, including production batch is applied.

Customer declares he has been informed by MECAVIT S.r.l. about the standard type of packing used and to consider it suitable to his needs for transportation, warehousing and storage.

The Customer shall be the sole responsible for proper storage of the Product, to grant proper preservation of technical and functional features of the Product provided.

MECAVIT S.r.l. shall have no responsibility in case of use of packing materials or containers different from those used by MECAVIT S.r.l., or for improper deposit or storage. The Customer will be responsible for the correct and complete compliance with the regulations in force concerning the destruction and the disposal of waste packaging used by MECAVIT S.r.l.

MECAVIT S.r.l. and the Customer may agree to use recyclable packing material to contain the Product supplied. Also in this case the Customer will be the sole responsible for the proper use and storage of that kind of packing.

5.3 - Transfer of information about the Product

The Customer engages himself to inform his potential customers about the technical and functional features of the Product. MECAVIT S.r.l. grants the traceability of the production batch for 5 (five) years, unless otherwise requested.

6) RIGHTS OF INTELLECTUAL PROPERTY AND CONFIDENTIALITY CLAUSE.

6.1.1 – Rights of intellectual property and technical knowledge.

MECAVIT S.r.l. is the only owner of all rights in relation to data, information, design, feature, process, chemical composition, functional feature and any other element relating to the Product. The ownership of these rights will continue even after the delivery of the Product. The execution of the supply contract will not constitute, in any case, the sale of industrial property rights or license to use the know-how concerning the Product itself. MECAVIT S.r.l., as owner of the above rights, reserves the right to utilize, for its own use, the results of tests, experiments or trials performed on the Product, even after delivery.

6.1.2 – Use of Product images.

MECAVIT S.r.l. reserves the right, unless otherwise specified in writing by the Customer, to show products realized on Customer's drawing or relative pictures/drawings for promotional, advertising and display purposes in exhibitions.

6.2 - Confidentiality Clauses

MECAVIT S.r.l. and the Customer, throughout their supply relationship and for 5 years after its conclusion, are bound to fully observe the utmost confidentiality and secrecy on anything (documents, data, characteristics, components, technical or financial information, drawings, schemes, reports, plans, notes, etc.) that they may have reciprocally learned during preparation or execution of the contract.

They engage themselves to keep all materials reciprocally exchanged or received with equal care and allow only the persons involved in the contract execution to have access to the said data, documents and material.

They declare to be compliant with the procedures on privacy, such as provided by the laws in force. If necessary, the Customer and MECAVIT S.r.l. will be required to notify the name of the person designated as responsible for the management of transmitted sensible data.

The obligation of confidentiality and privacy will not be in force in the case of:

- Common knowledge information, or in any case already known on contract signature;
- Information already known before the contract was signed;
- Obligation to disclose information required by a judicial authority or public authority in general.

6.3 - Guarantee against counterfeiting

MECAVIT S.r.l. guarantees the ownership or the right to use on information, drawings, content of the documents and the process employed for the production and the supply of the Product.

MECAVIT S.r.l. also guarantees the non-existence of any patent or restriction, which may preclude the production and sale of the Product.

If the Product is manufactured according drawings, directions or information provided by the Customer, the latter is liable for any infringement, even in the production process, of industrial or non-industrial property rights of third parties. The Customer engages himself to release MECAVIT S.r.l. from any and all direct or indirect consequence that the availability or use, in any way, of this information may directly or indirectly cause to MECAVIT S.r.l. The Customer will be directly liable and shall in any case release MECAVIT S.r.l. accordingly, for any direct or indirect damage, as well as for any costs, including legal defence fees or the fees of professionals designated by MECAVIT S.r.l. itself, in the event of legal action.

7) DELIVERY, TRANSPORT, INSPECTION AND ACCEPTANCE OF THE PRODUCT

7.1 – Delivery Time

MECAVIT S.r.l. is bound to comply with the delivery time agreed with the Customer. In no case, however, the date of delivery, intended as ex works Castel Guelfo Bologna, Italy, will be considered binding and essential for the proper execution of the order and the Customer expressly waives any request for damages or for a termination of the contract, in case of non-observance of the Product delivery time.

In any case, unless a specific date for delivery is provided, being understood that in any case this date is not binding, the delivery time starts from the last date of the following:

- The date of the written acceptance by the Customer, if required, of production drawings of special items processed according to the Customer's technical specifications.
- Date of completion, by the Customer, of all contractual obligations or legal preliminaries (import licenses, authorizations, advance payment, if required by the contract, etc.).

MECAVIT S.r.l. reserves the right to notify the Customer of any delays in delivery times, if particularly considerable. The Customer may ask MECAVIT S.r.l. to put its best efforts to bring delivery times back to normal levels, but can not, under any circumstances, refuse to collect regularly ordered products.

MECAVIT S.r.l. reserves the right to indefinitely suspend the delivery of the product in the event of non-payment of supplies.

7.2 – Delivery terms

Unless otherwise agreed, and subject to paragraph 10.6, the delivery of the product is intended ex works (Incoterms 2010) at the premises established by MECAVIT S.r.l. and on the day and the hour in which it will be loaded on the means of transportation used by the carrier or shipper. From that date, all risks and responsibilities related to the product itself, will be transferred to the Customer.

MECAVIT S.r.l. will notify the Customer in due time that the goods are ready for delivery. The Customer shall collect the Product on the date and time indicated by MECAVIT S.r.l.

Should a collection not be carried out under the terms of the contract, the Customer shall be responsible for any cost, expense or disbursement for any reason (storage, insurance, handling, space utilization, etc.) sustained by MECAVIT S.r.l., who shall issue a regular invoice for the said costs. The payment of the invoice for such securities shall be made in accordance with Article 10.1.

7.3 - Transport, customs duties, insurance

Unless expressly foreseen in the order, transport will be always carried out at the expense and care of the Customer.

Any commercial clause must comply with the Incoterms conditions in force at the time of finalization of the supply contract.

MECAVIT S.r.l. reserves the right to accept requests for partial shipments of the ordered product.

7.4 – Control of quantities and type of product delivered

Immediately upon reception, the Customer shall check the conformity of the product to the terms of the order, through its own personnel at its own expense and under its exclusive responsibility. Any dispute or reserve regarding visible parcel or Product defects, differences in weight or quantity compared with the delivery note accompanying the product have to be reported to MECAVIT S.r.l. within (8) eight working days.

In absence of reserves within the above terms, the Product shall be considered accepted.

7.5 - Claims concerning the presence of defects

MECAVIT S.r.l. is required to deliver the product without defects and in conformity to the order specifications. In case of presence of defects in the Product, within eight days from delivery in the case of evident defects, and within eight days from the discovery in case of hidden defects, but in any case within one month from delivery, the customer shall inform MECAVIT S.r.l., by sending written notice indicating:

- Description of the product
- Quantity involved
- Detailed description of the defect found
- Indication of the delivery note
- Indication of the production batch
- Pictures of the defect samples.

MECAVIT S.r.l. will not accept any return of material, if not previously agreed with his sales department; otherwise, MECAVIT S.r.l. will refuse the goods, at Customer expenses.

If requested by MECAVIT S.r.l., the Customer shall return, at its own expense, the products object of claim. MECAVIT S.r.l. shall unquestionably decide, and without this constituting any admission of liability, to repair the product and return it to the Customer. In this case MECAVIT S.r.l. will bear the costs of repair and transport. Should MECAVIT S.r.l. not find any presence of the reported defects or faults, he will shall invite the Customer at the factory to jointly examine the results of the tests, after which, the product will be sent back to the Customer, at his expense.

In no case, the Customer will perform, autonomously or by a third party, any working process or intervention on the Product. If this should happen, the Product will no longer be under warranty, nor could MECAVIT S.r.l. be charged of any liability.

If no specific product sorting is purchased with the order, only the standard UNI EN ISO 3269 acceptance criteria in terms of quality will apply. MECAVIT S.r.l. will not accept any handling or sorting cost borne by the Customer.

If the Customer, in the presence of visible defects or faults, decides not to notify MECAVIT S.r.l. and use or resell the Product, thus losing every right of replacement, repair and guarantee.

In any case, unless otherwise requested by MECAVIT S.r.l. to the Customer, the Customer will be responsible for the disposal of the product, if still at Customer site.

Any claims or disputes regarding the delivery of a single product do not release the Customer from the obligation to collect and pay the remaining quantities of goods, within the limits of the order or commitment.

7.6 - Warranty – duration

MECAVIT S.r.l. is required to deliver the Product in full compliance with all applicable regulations and with the order. Unless otherwise agreed, MECAVIT S.r.l. guarantees the supplied Product for a period of up to 1 year from date of delivery.

The warranty will be effective only in case of correct use of the Product and when a defective performance is not directly or indirectly imputable to the Customer for the particular use of the Product itself.

7.7 - Acceptance

After the time limit of eight days, and in the absence of claims, the Product supplied shall be considered finally accepted. In no case, after Customer's acceptance, MECAVIT S.r.l. will be obliged to replace the supplied Product.

8) ADVERSITY CLAUSE AND CAUSE OF FORCE MAJEURE

8.1 - Force Majeure

MECAVIT S.r.l. may suspend its obligations to supply, and may suspend also any contractual engagement with the Customer in case of an event of Force Majeure. MECAVIT S.r.l. shall promptly inform the Customer in writing, explaining the cause of unexpected circumstances and, if possible, the expected duration of the suspension of contractual obligations.

If the cause of suspension should last more than 15 working days, the Customer can temporarily purchase the product needed from another supplier, with a firm commitment to restart purchasing from MECAVIT S.r.l. when the cause of Force Majeure ceases. MECAVIT S.r.l. undertakes to notify the Customer in writing about

the termination of the cause of Force Majeure, including the date of the first delivery of the product. The Customer will be obliged to accept those deliveries. If the cause of Force Majeure should last for over 120 days, MECAVIT S.r.l. and Customer will meet to evaluate the possibility of terminating the supply contract. In any case, the Customer shall collect and pay MECAVIT S.r.l. for all the products in stock, the cost of semi-finished product and special equipment, not otherwise usable.

MECAVIT S.r.l. may invoke the Force Majeure in all cases in which his performance should become particularly onerous or impossible.

The following causes are considered additional circumstances to Force Majeure, though this list is merely indicative and not binding:

- Natural disasters (earthquakes, fires, floods, storms, etc.);
- Wars, battles, terrorist attacks, riots, outrages;
- Labour disputes, strikes, occupations, lockouts;
- Labour disputes, general strikes or lock-outs in sectors involving MECAVIT S.r.l.'s suppliers: transporters, service companies, freight forwarders, post offices, public offices or in general, all those who are involved in the production process;
- Ordinances of judicial, governmental or, in general, public authority;
- Import bans, embargoes, production halts imposed by the health authority or the public authority in general;
- Accidents, machine failures, sequestrations, explosions, unavailability of electricity and any other cause that may limit or prevent production.

In no case, the Customer is entitled to stop the payment of supplies appealing to Force Majeure.

9) DEFINITION OF THE ORDER CONFIRMATION

When MECAVIT S.r.l. sends the order confirmation to the Customer, the supply contract is considered as accomplished and binding to both parties; the sales conditions and the general information available on the homepage are considered as fully known and accepted by the Customer.

The order confirmation will constitute acceptance of the contract proposal and will include, among the others, following data:

- Company details and complete address of the buyer and address of destination of the goods;
- Indication of the number of the offer, if existing, and the PO number of the Customer;
- Description, definition, quantity, price (expressed in Euro/100 pcs) and/or additional services;
- Terms of payment;
- Indication of the delivery date/s;
- Delivery terms, eventual transport costs and packing.

10) PAYMENTS

10.1 - Payment Terms

Payment for supplies shall be made, regardless of any claim, as agreed with the Customer, being implicit the applicability of the Legislative Decree no. N . 231/2002 and its amendment no. 192/2012 and subsequent note of 23/01/2013.

MECAVIT S.r.l. will not be required to apply any discount in the event of advanced payment of the Product, if not previously agreed.

10.2 – Delay in payments

In the event of non-payment of the Product within the terms referred to in paragraph 10.1, MECAVIT S.r.l. shall apply an interest rate equal to Euribor increased by seven points, calculated for the period of the delay. MECAVIT S.r.l. is entitled to issue an invoice for interests, basing on the conditions established in this paragraph, and to send it to the Customer. The invoice will also include the costs that MECAVIT S.r.l. will have sustained for that activity. The Customer shall immediately arrange payment of the amount due. In the event that an invoice for delayed payment interests is issued, MECAVIT S.r.l. is entitled, on his unquestionable judgement, to impute any subsequent payment made by the Customer in settlement of the said invoice, and only for the residual sum in payment of the supplied Product. MECAVIT S.r.l. may also, in case of Customer's repeated and serious failure to pay, suspend the supply of the product, refuse the request for additional deliveries or consider the contract terminated.

10.3 - Changes in Customer's financial or social situation

Any event or behaviour that may objectively lead to doubt the solvency of the Customer or his willingness to pay for the Products supplied may be a reason for the suspension of the supply of the Product by MECAVIT S.r.l.

In this case, MECAVIT S.r.l. shall send a specific communication to the Customer.

MECAVIT S.r.l. will also have the right to collect the unpaid Product from the Customer warehouse or factories.

In the event the Customer is submitted to legal proceedings (such as deed of arrangement, temporary receivership, bankruptcy, compulsory winding-up, special management) MECAVIT S.r.l., in compliance with the specific regulations on collection of credits, shall be entitled to stop further deliveries or consider the contract annulled.

The Customer is required to notify MECAVIT S.r.l. of any significant change in its corporate structure or management of its organization, when such an event relates to the supply of the Product.

MECAVIT S.r.l., after having evaluated this information, or lack thereof, is entitled to communicate to the Customer his decision whether to continue the relation or not. In this case, all credits of MECAVIT S.r.l. will be considered immediately collectable. In this case, MECAVIT S.r.l. is entitled to keep, as partial payment of the sum due, any downpayment or the sums he may have already cashed up to then.

10.4 - Receivables of the Customer

The Customer is not allowed to issue to MECAVIT S.r.l., for any reason, debit notes or bills for credit claims, or any other charge, without the written consent of MECAVIT S.r.l. Therefore the Customer may not, unless authorized in writing, retain amounts due to MECAVIT S.r.l.; in that case MECAVIT S.r.l. may claim interests for late or non- payment as per paragraph 10.2.

In the event of outstanding credits in favour of the Customer, MECAVIT S.r.l. shall be entitled to set off these sums with the amounts due concerning deliveries carried out or to be carried out.

10.5 - Payment Guarantee in case of subcontracts

Assuming the existence of specific laws in this regards, MECAVIT S.r.l. and the Customer engage themselves to come to an agreement regarding the possibility of direct payments and liabilities with subcontractors. In no case the Customer is entitled to establish direct agreements with the suppliers of MECAVIT S.r.l., thus departing from these general supply conditions, unless specifically agreed in writing.

10.6 - Retention of Title

The Product is always supplied with the "Retention of Title" clause, therefore the product will remain the property of MECAVIT S.r.l. until the complete payment of any debt. The Customer shall take the necessary measures for the protection and safeguard of this right, and shall be responsible for any consequence that may affect the Product. The Customer is bound to take all necessary measures in order not to confuse MECAVIT S.r.l. product with another, possibly similar, from other suppliers, and shall keep the Product in special, well-defined and easily identifiable areas.

11) RESPONSIBILITY

11.1 - Definition of the responsibility of MECAVIT S.r.l.

MECAVIT S.r.l. will be solely responsible for its own activities and the correct production of the Product, which will have to comply with the characteristics specified in the order. No other liability is attributable to MECAVIT S.r.l.

MECAVIT S.r.l. shall organize and carry out the production in compliance with all applicable regulations.

MECAVIT S.r.l. shall not be liable for any Product defect, if these depend on:

- Materials supplied by the Customer or a third party designated by the Customer;
- Project or design errors, if these activities are carried out by the Customer or a third party designated by the Customer;
- Treatment or manipulations carried out without consent of MECAVIT S.r.l.;
- Manufacturing errors, if the production process and the drawings are specified and validated by the Customer;
- Different, non-allowed, anomalous, atypical or particular use of the Product;
- Incorrect stowing, transportation, storage or handling of the Product.
- Normal wear and tear of the Product caused by events attributable to the Customer or any third party.

11.2 - Limitations of liability

The responsibility of MECAVIT S.r.l. will be limited to direct damages caused to Customer or by the Customer employed things or personnel, due to defects or faults of the Product recognized by MECAVIT S.r.l.

Any liability for indirect damages, loss of reputation, loss of profit, and any case of indirect consequence to the defect of the Product, is excluded.

Similarly, MECAVIT S.r.l. will not be responsible for any direct or indirect damage suffered by the Customer for the use of technical documents, information, product data, descriptions of technical or functional features etc., where the use has not been expressly previously authorized in writing.

12) JURISDICTION

The supply of the Product and any consequence arising from the execution of the contract or every fact connected with the conclusion of the contract and/or order, will always be subject to Italian jurisdiction and laws in force in Italy, with the elimination of any hypothesis of validity or enforceability of foreign jurisdiction or law.

13) COMPETENT COURT IN CONTROVERSIES

MECAVIT S.r.l. and the Customer, at any time and in case of need, will make any effort to settle in a friendly manner any dispute or disagreement, which may arise between them for any reason, in connection with the supply of the Product.

Failing the Parties to achieve a solution to the controversy in a friendly manner, the sole jurisdiction of the Court based in the territory of MECAVIT S.r.l. shall be always and in any case considered mandatory.