

GENERAL TERMS AND CONDITIONS OF SALE

1) ORDER CONFIRMATION AND ACCEPTANCE

These general terms and conditions govern exclusively the sale of products made by the company DRS Guarnizioni Industriali S.r.l.; any corrections, changes, additions, exceptions or cancellations must be exclusively and mandatorily approved in writing and must be expressly accepted by the selling company. Should it receive a request for cancellation following the start of production, the selling company reserves the right to refuse or accept them subject to partial payment of the supply depending on the state of progress of the production itself. The particular conditions of individual orders (i.e., product type, quantity, price, payment method, etc.) are exclusively the ones indicated in the order confirmations sent by DRS Guarnizioni Industriali S.r.l. to the customers. These general terms and conditions are posted on the website www.drs-guarnizioni.it and form integral part of all order confirmations, in which they are expressly referenced. The order filled in compliance with the confirmation sent to the customer by DRS Guarnizioni Industriali S.r.l. presumes, even in the absence of a signature, knowledge and acceptance of these general terms and conditions. Moreover, these general terms and conditions will prevail over any other condition or agreement indicated by the customer.

2) PROTECTION OF INDUSTRIAL PROPERTY

The customer agrees to treat as strictly confidential all technical and commercial information and any other data of which it may gain knowledge during the course of the contractual relationship, without prejudice to the rights of DRS Guarnizioni Industriali S.r.l. to claim damages in case of violation by the customer. Likewise, all technical and commercial documents, drawings and projects that the company DRS Guarnizioni Industriali S.r.l. may exchange with the customer during contract execution must also be treated as confidential. Should any information, as well as technical and/or commercial data provided by the customer prove to be in violation of industrial property or know-how rights or trademarks and/or patents of third parties, DRS Guarnizioni Industriali S.r.l. will in no way be responsible for said violation and, in case of claims and/or legal proceedings lodged against the company by third parties for the violation of trademarks, patents, know-how or other industrial secrets resulting from information and/or documents provided by the customer, the latter agrees to indemnify and hold DRS Guarnizioni Industriali S.r.l. harmless from any claim for compensation and from any cost incurred directly and/or indirectly.

3) DELIVERY AND TRANSPORTATION – DRS Guarnizioni Industriali S.r.l. agrees to comply with the delivery terms specified in the order confirmation, which are nevertheless not binding but are purely approximate. In case an exact delivery date is agreed upon in writing,

DRS Guarnizioni Industriali S.r.l. will not be responsible for any delays in deliveries due to causes of force majeure or to fortuitous and extraordinary events (i.e., accidents, strikes, natural disasters, transport interruptions, difficulty in procuring the raw materials, breakdowns at production plants, etc.). Transportation of the goods is always at the expense of the customer, regardless of the methods chosen for either transportation or for payment. Even in the case where, as a mere act of courtesy, DRS Guarnizioni Industriali S.r.l. directly arranges for the transportation on the customer's behalf, the associated risk will be at the customer's own responsibility, and DRS S.r.l. Guarnizioni Industriali S.r.l. will be expressly exempted from any liability, unless otherwise agreed upon in writing.

4) PAYMENT METHODS AND DELAYS – The prices and payment methods are exclusively the ones indicated in the order confirmations sent by DRS Guarnizioni Industriali S.r.l. Default or overdue payment of the price at the due date agreed upon will entitle DRS Guarnizioni Industriali S.r.l. to apply late payment interest on the amounts owed and not paid, calculated at the rate referred to in Italian Legislative Decree no. 231/2002, starting from the expiry of the due date agreed upon. In case of payment in instalments, defaulting of even one payment instalment will result in the customer losing the benefit of deferred payment, in which case the customer will be required to pay the full price both for orders already filled and in the process of being delivered. Moreover, DRS Guarnizioni Industriali S.r.l. is also entitled to appeal to articles 1460 and 1461 of the Italian Civil Code and suspend any deliveries in progress pertaining to one or more orders already confirmed, in the event of an overdue payment resulting in a lack of trust regarding fulfilment by the client, always without prejudice to the right to lawfully terminate the sales contract pursuant to art. 1456 of the Italian Civil Code. DRS Guarnizioni Industriali S.r.l. also reserves the discretionary right to change the payment conditions already been agreed upon and accepted by the parties, regarding one or more orders already confirmed, in case of arrearage in payments by the customer.

5) PRODUCT QUALITY – All products made by DRS Guarnizioni Industriali S.r.l. are subjected to quality control procedure during all stages of their manufacturing process, in compliance with defined procedures and with sector-specific technical regulations. Any requests for conformity certificates or testing certification in regard to supplies must be specified in the order in advance. Any tolerances and/or product variations may derive from the nature of the product itself, and are acknowledged by industrial practices widespread in the sector, for which the seller may not be held liable.

6) PRODUCT LIABILITY – Considering that the application and installation of gaskets is subject to many variables (i.e., intended use of the product, compatibility with the system/machine of destination, storage and safekeeping conditions by the customer, etc.) that

are beyond the control of DRS Guarnizioni Industriali S.r.l. and over which it has no power of intervention control, the company may not be held liable, unlimitedly, for any defects and faults in the products sold. Specifically: 1) since DRS Guarnizioni Industriali S.r.l. uses quality raw materials, it may not be held responsible for any defects or faults in the raw material used to manufacture its products; 2) DRS Guarnizioni Industriali S.r.l. is in no way responsible for the final destination of the product, for which the customer may act and choose in full autonomy and awareness, nor is the seller responsible for whether or not the product is suited to the "operating conditions", for which the customer only is responsible; 3) DRS Guarnizioni Industriali S.r.l. is not responsible for any defects and/or faults in the product due to anomalous deterioration, careless safekeeping by the customer, wrong application and/or installation operations, replacements and/or maintenance jobs carried out by third parties, due to physical and/or chemical and/or mechanical and/or electrical causes extraneous to the sold product.

7) GUARANTEE – Except for situations where the company is not responsible and referred to in item 6 above, DRS Guarnizioni Industriali S.r.l. warrants that it will assume responsibility for any defects and/or faults in the products sold within the limits of their replacement at no additional cost or, at the buyer's request, of the reimbursement of the price paid upon returning the goods. No compensation will be offered by DRS Guarnizioni Industriali S.r.l. for any direct damages to the customer's installations or to its finished product. This guarantee will only be valid provided that: 1) the customer sends written notice, within the mandatory term of 8 days from the delivery date, indicating any defects and/or faults in the products if such defects and/or faults are obvious and/or evident; 2) the customer sends written notice, within the mandatory term of 30 days from the discovery date, indicating any defects and/or faults in the products that were not immediately evident or became evident only after their use, in any event not later than one year after delivery; 3) the customer has provided suitable and sufficient "technical specifications" with respect to which the product conforms, regardless of the final product application; 4) the customer has used the product according to proper instructions and technical methods. This guarantee is not valid in case the customer fails to keep, for at least 90 days from the notice, the defective and/or faulty product for the purpose of allowing a cross check by the parties, or if the customer fails to initiate suitable preliminary investigation proceedings pursuant to art. 696 of the Italian Code of Civil Procedure. In any event, DRS Guarnizioni Industriali S.r.l. is not liable for any indirect damages resulting from loss of earnings or a reduction in production.

8) GOVERNING LAWS – This sales contract is governed by the general terms and conditions provided in detail herein. Anything not expressly established herein will be governed by the laws on sales referred to in art. 1470 and following of the Italian Civil Code.

9) PROCESSING OF PERSONAL DATA – The customer authorizes DRS Guarnizioni Industriali S.r.l. (*) to process, communicate and disseminate its personal data for all that concerns requirements and fulfillments of a contractual, legal and fiscal nature, as well as to allow for a more efficient management of commercial relationships, including for advertising purposes. Said data may be processed in written form or on paper, magnetic, electronic or telematic media.

10) PLACE OF JURISDICTION – Any controversy arising between the parties in connection with the proper interpretation and/or execution of this sales contract will be referred to the exclusive jurisdiction of the Court of Brescia. This sales contract is also exclusively governed by Italian Law.

(*) The personal data controller is the company DRS Guarnizioni Industriali S.r.l., in the person of its *pro tempore* legal representative, with head office in Erbusco (BS) - 25030, Via Consolare 75.