



SALES CONDITIONS

Rif:di1144pe_eng.docx
First issue: 20.04.2020 LME
Revision: 9 of 02.12.24 NBA

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1. GENERAL SALES CONDITIONS

1.1 OBJECT

The General Sales Conditions below (hereinafter "GSC") apply to the purchase made by any customer (hereinafter "Customer") of hardware components, software user licenses, text editors and of any other product or service sold or provided by Project Engineering s.r.l., with registered address at via di Colle Ramole, 9 Impruneta (Florence), Italy (hereinafter "PE").

Under no circumstances shall PE be bound by any general terms and conditions of the Customer contract or any other contractual documentation that has not been expressly approved in written form by PE itself; no other behaviour on the part of PE, whether active or omissive, may be interpreted as an act of acceptance of contractual conditions that differ from the GSC below.

1.2 ORDERS, OFFERS AND ORDER CONFIRMATION

Each order shall be deemed accepted at the moment when the Customer receives Order Confirmation (hereinafter OC) from PE.

Any PE offers are valid for 30 days, unless otherwise specified in the offer itself. Even in case an order is made by the Customer after receiving an offer by PE, the sales contract shall be deemed finalized at the moment when the Customer receives the relevant OC.

1.2.1 Planned and open orders

A planned order is an order for a total quantity that has a number of deliveries with agreed, scheduled dates.

An open order is an order for a total quantity that has several deliveries that are not planned within fixed dates, but are to be made by specific order re-calls.

1.3 CUSTOMER'S WITHDRAWAL AND MODIFICATION OF ORDER

If after receiving the OC the Customer withdraws from the contract or modifies his order, also with reference to the scheduled time and / or place of delivery, PE will have the right to obtain a refund for any costs incurred due to the sections of the contract that have been deleted or modified to which the following shall be added up:

5% of the price if a request for withdrawal or modification is submitted to PE after 15 days from receipt of the OC;

15% of the price if a request for withdrawal or modification is submitted to PE after 30 days from receipt of the OC;

25% of the price if a request for withdrawal or modification is submitted to PE after 45 days from receipt of the OC.

However, it is understood that PE will not be bound to accept a request for modification of an order for which the Customer has already received the relevant OC: therefore, in the event of a request for withdrawal or modification, PE will always be entitled to choose whether to accept it or not by applying the aforementioned penalties, i.e., to process the order under the conditions specified in the OC.



1.4 PRICES AND DELIVERY TIMES OF GOODS OR SERVICES

The prices of the goods or services, as well as their delivery or supply times, are those indicated in the OC.

Unless otherwise indicated, prices are expressed in Euros, VAT excluded.

Prices are inclusive of packaging suitable for shipment; while they do not include export taxes or duties, customs duties, charges or other.

Installation costs are also not included in the prices, unless otherwise specified in the offer. Delivery or supply times are always approximate, and can vary according to the type of product and quantity ordered. PE cannot guarantee to purchase components or materials in advance of orders.

PE shall not be held accountable of any delay in the delivery or supply if they fall within sensible limits, or if the same are due to force majeure such as, for example, natural disasters, sudden amendments to legislation, socio-political events, difficulties in finding raw materials or any other components crucial to the production process, machinery breakdowns or power outages. If the Customer finds a difference between the terms specified in the offer by PE and those established in the OC, he shall notify such differences to PE within 5 days of receipt of the relevant OC; failure to do so will lead to the price and other terms specified in the OC to be deemed fully accepted by the Customer.

1.4.1 Special conditions for planned and open orders

For planned orders, the following conditions are valid under normal market conditions and except in cases of force majeure:

- The price applied is the one referred to the tier price list per total quantity.
- The first delivery will be guaranteed after 6 months from the placing of the planned order to allow the procurement of materials.
- The last delivery must be expected within 18 months after the Order placement.
- Deliveries are to be expected at a maximum monthly interval according to the relevant MOQ stated in the price list.

For open orders, the following conditions are valid under normal market conditions and except in cases of force majeure:

- The price applied is the one referred to the tier price list per total quantity.
- The first delivery will be guaranteed after 6 months from the placing of the planned order to allow the procurement of materials.
- In order to optimise the production management, an estimation of the monthly demand is required.
- For recalls after the first and under the conditions of the previous point, the guaranteed delivery date will be 2 months.
- The last recall of the open order must be within 18 months from the placement of the open order.
- Deliveries are to be expected at a maximum monthly interval according to the relevant MOQ stated in the price list.
- If the total amount of the open order has not been delivered by the expiry date, the open order will be closed and PE will issue a new OC for the remaining quantities with max. 6 months delivery, applying the updated price list. If the customer does not accept this OC, PE reserves the right to ship and invoice the not delivered goods on the expiry date of the order.



1.5 TRANSPORTATION AND DELIVERY

Shipping costs, unless otherwise indicated in the OC, shall be entirely borne by the Customer. The goods are transported at the full risk of the Customer; unless otherwise indicated in the OC, delivery is carried out Ex Works at the registered office of PE.

1.6 CUSTOMER'S OBLIGATIONS

Unless otherwise specified in the offer or in the OC, the Customer is responsible for all activities carried following the sale, such as the installation, assembly, configuration and maintenance of the Product, which must be carried out in compliance with what is indicated in the PE's Technical Sheets.

The Customer shall also be in possession of all the premises and skills (also technological) necessary for the correct use of the Product.

In the event that the Product is installed in a country other than Italy, the Customer has the obligation to verify the norms and regulations in force in the Country where the Product will be used, including those provisions concerning public safety and health protection.

Any further costs necessary to ensure that the Product complies with the regulations of the Country in which it is to be used shall be borne exclusively by the Customer.

The Customer shall be held responsible for verifying that all hardware, software and firmware provided and/or developed by PE fully meet the requirements concerning their final use.

The Customer is also held responsible for verifying that the Product complies with the specific provisions set out for those products whose components are provided by PE.

1.7 PAYMENTS AND INVOICES

Payment of the price of the goods or services must be made in terms and conditions specified in the OC.

For payments within the Italian territory in the form of a Bank Receipt, no debit will be due for the collection costs of the first RiBa, while subsequent collection costs will be charged to the Customer in the invoice.

For payments from abroad, expenses for the transfer of funds from the foreign bank to the Italian bank will be sustained entirely by the Customer.

PE shall issue an invoice to the Customer for the price of the Product at the same time as the delivery, as defined in Article 1.5. After informing the Customer of the availability for collection, if the Customer does not collect the Product, or does not provide PE with adequate instructions for the delivery, PE reserves the right to issue an invoice and has the right to be refunded by the Customer all the expenses incurred for the storage of the Product.

Any delay or irregularity in payment will lead to the loss of the right to the product warranty and will entitle PE to:

- a) suspend supplies in progress, even those not related to the unfulfilled payment;
- b) modify payment and discount conditions for subsequent supplies, including requests for advance payments or the issuance by the Customer of additional guarantees;
- c) request, starting from the due date of payment and without the need for any formal notice, the default interest on the amount still due, to the extent of the rate established by the law currently in force for commercial transactions (Legislative Decree No. 231/2002).

Should the Customer be granted the right to defer the payment of the price in several tranches, either to be paid in advance or after receiving the goods, failure to pay even one of the tranches



within the established term will give PE the right to terminate the contract. In addition to the above, PE is always entitled to request a compensation for damage or for the greater damage suffered.

1.8 COMPLAINTS

Any defects in the delivered goods and/or irregularities in the supply of a service must be reported in writing within 8 days of their detection.

The delay in reporting shall result in the exclusion of PE's responsibility for further subsequent irregularities that PE itself could have avoided and/or eliminated if promptly informed, even on subsequent supplies.

In any case, defects and/or irregularities must be reported no later than one year from delivery and always within the term of validity of the warranty, if provided.

1.9 WARRANTY

The products sold by PE are guaranteed for a period of one year from the date of delivery.

In case the products sold by PE are operated by PE personnel, the warranty period shall start on the date of operation.

As for those components and accessories not produced by PE, the Company will provide the same warranties as those provided by its own suppliers; and the Customer will declare to accept this limitation of warranty, the content and terms of which are known.

The warranty will be valid for all defects of components and for design and manufacturing faults; it will not cover non-functioning or malfunctioning events caused by impacts, falls, improper use, accidental events, tampering by unauthorized personnel or storage in unsuitable conditions.

In the event of failure or malfunction of a product during the validity of the warranty, PE will have the right to choose whether to repair or replace the product.

The Product under warranty, if is deemed repairable based on PE's initial checks, will be repaired exclusively at PE's facilities.

In the event of defects promptly reported, PE will only be required to fix them, with the Customer explicitly waiving any claim regarding any damage suffered prior to their elimination.

Under no circumstances will PE be held liable for those defects in the Products that have not been promptly reported (according to the criteria set out under section 1.8) and for which it does not have the opportunity to carry out a check on the parts subject to dispute - ex works.

The Customer undertakes not to use products that he considers defective.

No responsibility can be charged to PE for the damages suffered by the Customer and / or third parties due to improper use of its products, their incorrect installation, non-observance of the safety regulations or to the non-observance of the technical specifications and instructions for use provided by the Company itself.

Except in cases of fraud and gross negligence, PE shall not be held responsible for any damages arising from the Product itself, such as, for example, compensation for any direct and indirect damages, losses, profits, costs, expenses, also relating to any withdrawal of the Product from the market, costs for identifying defects or for their removal, costs for the replacement of Products found to be defective, loss of earnings, interruption of operation of the Product, limiting any liability to compensation for an amount not exceeding the price of the Product.

The Parties acknowledge that the limitations of liability and allocation of risks reported in these Sales Conditions constitute an essential element of the negotiation between the Parties, without which PE would not have stipulate any sales agreement. Pricing reflects this allocation of risks and the above-mentioned limitations of liability.



1.10 RETURNS UNDER WARRANTY

In compliance with the terms and conditions set out under section 2.9, the Customer will have to ask PE for the authorization to return the product by sending an email to rma@proeng.it including at least the Product serial number and the defect detected, and, if possible, submitting the relevant evidence which might help the Company carry out a prior check on the defect.

PE will respond to such request by submitting a specific document of acceptance of the Product return (hereinafter "RMA") which will show an unique identification number for all accepted Product returns and possible reasons in the event of refusal, as well as the expected repair times, which will be as short as possible and, in any case, will not exceed a period of 6 weeks from the date of receipt of the goods (unless otherwise agreed or unless it is necessary to carry out additional checks, to involve PE suppliers, to perform a check on quantities or processes that might require additional time, of which in any case the Customer will be promptly informed).

The Customer, unless otherwise agreed, must return the defective Product at his own expense, in its original packaging and/or in any other suitable packaging, reporting the relevant RMA number on the transport documents.

The returned material will be accepted by PE only if it comes from the Customer, unless otherwise agreed.

PE will return the repaired or replaced goods to the Customer at its own expense (DDU - Incoterms 2000).

1.11 OUT-OF-WARRANTY RETURNS

The Customer may request the repair of the Product under out-of-warranty terms, as provided for under section 2.9, by filling out the RMA form and performing the relevant acceptance procedure as described under section 2.10 (which shall also referred to when it comes to repair times).

The Customer will have to bear the costs of shipping the Product to PE premises and the return costs for the repaired Product.

The repair will result in a charge for the Customer which, unless otherwise agreed, will be calculated on the final balance of the labor needed and of the components replaced.

In the event that the estimate of the repair cost exceeds 50% of the value of the Product (a minimum of 25 Euro), the Customer will be informed of it and shall then choose whether to authorize the repair.

If the requested repair is not possible or advantageous to carry out, PE will return the Product to the Customer by charging to the latter a flat-rate management cost equal to 10% of the purchase value of the Product itself (a minimum of 15 Euro).

1.12 TECHNICAL DOCUMENTATION, EQUIPMENT AND INTELLECTUAL PROPERTY

The Technical Documentation by PE relating to the Products supplied, unless otherwise agreed, is of exclusive property of PE and may be used only for the purposes for which the products were delivered, i.e., for their installation, use and maintenance.

PE reserves the right to modify the assembly details of its products at any time, however still guaranteeing the performance level stated.



PE will notify the Customer only in case the such modifications shall involve substantial changes, such as the installation criteria, functioning or interchangeability features of the Products, etc.

Unless otherwise agreed, the Customer will not acquire the intellectual property of what was created nor will he be entitled to receive the software sources or to disclose any mechanical and electrical diagrams and, in general, any documentation associated with the Products to third parties.

The Customer and end users are forbidden to transfer, commercialise, distribute, delegate or allow third parties to use the product in question or the rights to it for any reason at all.

1.13 CUSTOM CONTROLLER PRODUCTS

In the absence of a written communication received from the Customer within 60 days of delivery date, the samples (HW and SW) sent shall be deemed tacitly accepted.

With the first production order following the delivery of software and samples, these shall be deemed tacitly accepted and valid as reference samples for the production itself, including the software.

Unless otherwise agreed, any software development costs incurred by the Customer are to be understood as a sharing of the expenses incurred by PE, meaning that the Customer will not acquire the intellectual property of what has been designed and will not acquire the ownership of any of the equipment used for production and testing.

1.14 TESTING AND TRIAL SYSTEMS

In the event that the installation and commissioning of the Data acquisition system and Testing facilities is carried out by PE personnel, the Customer is committed to putting PE in the conditions to be able to operate freely inside and outside the plant, interrupting its activity if necessary.

PE shall not be responsible for any direct or indirect damage caused by its personnel during the installation, assembly and/or maintenance of the system and/or equipment, except in the case of serious negligence.

Any testing at the Customer's premises will be carried out with the aim to verify the equipment compliance with its requirements, and will take place based on the procedures established by both parties; in the absence of an agreement on that, the test will be carried out based on the procedures usually adopted by PE.

The supply of Data acquisition system and Testing facilities, notwithstanding the provisions of the above articles, is understood to be completed and accepted by the Customer upon signing the test report and in any case, in the absence of a test report, after 30 days from the delivery or, where applicable, after commissioning.

In the event that the test is not fully passed, PE will fix the conformity defects resulting from the test report. Should the modifications needed to make the Delivery compliant with its requirements be significant, the test may be repeated and will be carried out in the same way as the first.

The delivery terms are understood to be extended by a period equal to that necessary to make such changes, or, in the event that a second test is needed, by a period equal to that between the first and the second test. The purpose of any second test will only be to verify the specific lack of conformity of the Delivery resulting from the first test report.

The same methods will be applied to any subsequent tests or verifications performed after the second test, but will be aimed to perform a check on the specific results of the previous test report.



1.15 GOVERNING LAW

These GSC and all contracts deriving from them will be regulated by Italian law.

1.16 COURT OF JURISDICTION

Any dispute that may arise between PE and the Customer with regards to the termination and/or execution of the contracts deriving from these GSC will be subject to the jurisdiction of an Italian Judge; moreover, the Court of Florence will have exclusive jurisdiction.



2. REVISION HISTORY

Rev 0, First draft 20/04/2020: LME

Rev 1, Update Avv. Pardini 20/04/2020: LME

Rev 2, Completed with validity dates and penalties 28/05/2020: LME

Rev 3, First English version 21/09/2020: LME

Rev 4, New return indications added and missing parts integrated English version 25/09/2020: DRI

Rev 5, English text revised 28/09/2020: LME

Rev 6, Completely revised 08/06/2021: MDN

Rev 7, Added English part sent by Avv. Pardini and revised form by NBA

Rev 8, Added part planned orders and open orders and part on warranty, NBA

Rev 9, only header changed, NBA