

Milano Systems General terms of Sale and Delivery

1 Application

These General Terms of Sale and Delivery shall apply to any delivery from Milano Systems srl (MS) unless otherwise agreed in writing.

2 Order Confirmations

A final contract for sale between the purchaser ("Purchaser") and MS shall not be deemed valid and binding upon MS until MS has sent a written order confirmation to the Purchaser.

3 Prices

3.1 Unless otherwise specified, prices stated in contracts or invoices shall be in EURO and exclusive of VAT, custom fees, freight, etc.

3.2 Prices are valid for the stated validity time. An extension of the validity time must be confirmed in writing in order to be valid and binding upon MS.

3.3 MS shall at all times be entitled to charge an additional reimbursement in the event that material changes in the EURO exchange rate, rates of duty or other costs that are included in the price occur after MS has made the offer or order confirmation.

3.4 If MS incurs costs on behalf of the Customer, MS shall be entitled to reimbursement of same on demand.

4 Payment

4.1 Unless otherwise agreed in writing payment of the purchase price shall be effected by Irrevocable Letter Of Credit confirmed by Italian Bank.

4.2 Payment shall be in the currency quoted in the invoice.

4.3 If payment is not effected in a timely manner interest shall be charged at 1.5% per month from the invoice due date.

4.4 The purchaser shall be obliged to pay within the time limit indicated in the invoice even if he has lodged a complaint about the delivery ("the Delivery"). This holds whether the complaint proves to be justified or not.

5 Reservation of title

MS reserves the title to the Delivery until the purchase price has been paid in full.

6 Delivery

6.1 The time of delivery indicated in the contract or invoice shall be deemed to be approximate.

6.2 Delivery shall be Ex Works Milano Italy in accordance to Incoterms 2000.

6.3 The customer has sole responsibility for custom clearance.

7 Export control

7.1 In case the order contains products covered by Italian or Foreign export control, MS shall apply for the export license. The contract is valid and binding on MS only if MS be granted the appropriate export license.

7.2 In the event that the export license be not granted, the contract or the order confirmation shall be null and void and MS and the Purchaser shall have no claim for compensation of any kind on one another. This shall hold regardless of the reason why the license is not granted.

7.3 The Purchaser shall on demand provide the required documents to support an eventual export license application. It is the Purchaser's responsibility to provide this in a timely manner. If he fails to do so and the delivery is for that reason delayed, MS shall be entitled to charge interest on the purchase price pursuant to art. 4.3 above.

7.4 The Delivery may under no circumstance be used for nuclear and biological weapon testing.

7.5 Should the Delivery include equipment subject to any export restrictions, such equipment may not be exported or re-exported

without an approved license.

8 Compliance with Laws and Regulations

8.1 The Purchaser shall comply with all applicable laws and regulation relating to anti-bribery, anti-trust, anti-money laundering and anti-corruption, including but not limited to the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act as amended from time to time.

8.2 MS retains the right to suspend or terminate any sales agreement immediately if MS believes, in good faith, that the Purchaser has breached any of these laws and regulations. The Purchaser shall indemnify and hold MS harmless from and against any and all damages, liabilities, penalties, fines, costs and expenses arising out of claims, suits or allegations of Purchaser's failure to comply with this provision.

8.3 MS shall have the right during reasonable business hours to inspect the locations that are used by the Purchaser and to inspect and copy the books and records related to MS's products in order to audit the Purchaser's compliance with the General Terms of Sale and Delivery.

9 Force Majeure

MS shall not be liable for any defective or delayed delivery that is wholly or in part due to circumstances beyond the control of MS, such as uprising, unrest, war, fire, public orders, strike, lockout or accidents during transport.

10 Warranty

10.1 Products are supplied with a warranty of one (1) year, from delivery.

10.2 All warranties issued by MS shall be valid only if the, the Purchaser observes all instructions for installation, storage,

10.3 cleaning, maintenance and operation in every particular MS shall be entitled to decide at its sole discretion whether defective products returned to MS shall be repaired or replaced.

11 Sales Materials

All information concerning weight, dimensions, capacity and technical data in brochures, sales material etc., shall be deemed approximate and indicative only. Specific Customer requirements shall be binding upon MS only if specifically confirmed in writing by MS.

12 Product Liability

12.1 MS shall be liable for harm to persons or property caused by defects in the Delivery that render the Delivery dangerous to the extent such liability is provided by the Italian Act on Products Liability.

12.2 Under no circumstances shall Milano Systems srl be liable for operational down time, lost earnings or any other form of indirect loss.

13 Time Limits on Claims

Claims against MS for non-contractual performance are invalid if brought more than 1 year after delivery.

14 Support

MS shall be obliged to provide after sales support free of charge consisting of technical assistance in conjunction with installation, maintenance, calibration, and operation of the Delivery. This obligation ceases 1 year after delivery has taken place. All support shall take place by e-mail or phone. No support is provided to end-users unless an agreement to that effect has been entered into.

15 Training courses

- 15.1** A confirmation of the course must be sent from the customer 4 weeks in advance. MS considers the course "cancelled" otherwise.
- 15.2** Confirmation or "rush" courses, received closer than 4 weeks to the course will be subject to added cost, held by the customer and will only be carried out upon availability of.
- 15.3** Cancellation must be received 14 days prior to the course.
- 15.4** All unreturnable expenses are charged to the customer.

16 Law and Venue

- 16.1** Disputes regarding the Delivery and regarding the application and interpretation of the present General Terms and Conditions of Sale and Delivery shall be settled by arbitration. The seat of arbitration shall be Milano, Italy and the proceedings follow the rules of the Italian Institute of Arbitration. The language of the proceedings shall be Italian
- 16.2** Disputes shall be settled according to the laws of the Italy.

17 QUALITY ASSURANCE CLAUSES

- 17.1** The Supplier must guarantee and maintain the application of the Quality System level that was recognized at the time of qualification for the entire duration of the order (including skills, any qualifications of people, processes, etc ...). In relation to the type of supply in reference to the Order, MS reserves the right to activate a specific quality or supply control plan.
- 17.2** Upon notification, the Supplier (including any subcontractors) must allow MS to its Customer and to the Surveillance Bodies, access to the places where the goods are produced or services are performed, as well as the acknowledgment of the relative certifications, without this releases the Supplier from its warranty obligations or constitutes acceptance.
- 17.3** The supplier guarantees that the Supply complies with the requirements established in the Order and in the related annexes and that it is free from material and / or manufacturing defects, free from design defects, free from software defects where applicable. Any possible variation must be accepted in writing by MS. Unless otherwise specified, all supplies must comply with the revision of the technical documents in force on the date of issue of the order. The supplier, in the event that the product does not comply with the required characteristics (non-compliant product), must immediately notify MS in writing, isolate and identify the non-compliant product pending the decisions that will be received in writing by MS. for approval and related treatment.
- 17.4** The acceptance of goods and / or services is subject to inspection and / or control in order to verify the lack of defects, accuracy and suitability. Any flaw or defect will be communicated to the Supplier at the time of discovery. Any items that are found to be non-compliant during acceptance and / or processing, must be replaced at the expense and expense of the Supplier within 30 days of making the goods available, even if the relative invoice has already been paid. Otherwise, MS will be authorized to carry out any appropriate correction of the defect directly or through third parties at the expense of the Supplier, without prejudice to the right to take action for compensation for greater damage, including production stop.
- 17.5** Any non-conformity of the product will be made known to the Supplier with a written report.
- 17.6** The Supplier acknowledges and accepts that the non-accepted supply will be considered as never delivered and in this case it will apply to point 2.
- 17.7** The materials supplied by "Resellers / Distributors" must be delivered with Certificates of Conformity to the Order, which guarantee the correct storage of the material and a copy of the Manufacturer / Manufacturer's Certificate of Conformity.

- 17.8** Documents certifying the quality and conformity of the products supplied must be attached to each supply (Certificate of Conformity, Chemical, Technical Analysis, etc.)
- 17.9** Shelf life: unless otherwise specified and accepted, the residual life of the products supplied must be at least 75% of the residual useful life upon delivery.

18 ADDITIONAL CLAUSES FOR AEROSPACE / DEFENSE

18.1 SECTOR SUPPLIERS

The supplier must ensure the prevention of suspicious and counterfeit parts

- 18.2** Any change to the organization, processes, products or services, including changes to the use of subcontractors or to the production sites pertaining to the current order, must be agreed in advance.
- 18.3** In case of subcontracting, the supplier is required to guarantee the flow-down of the IFI requirements.
- 18.4** The supplier is required to keep and make available the documentation relating to the supply for a period of not less than 5 years from the date of delivery.
- 18.5** The supplier must ensure that its employees are aware of:
 - * their contribution to product and service compliance;
 - * Their contribution to product safety;
 - * Importance of ethical behavior