

GENERAL CONDITIONS OF SUPPLY

Unless otherwise specified in the inquiries or order confirmations, these general conditions of supply shall apply to all contracts for the supply of Products sold by Douglas Chero Spa (below Douglas Chero) and they are considered known to all Clients.

Definitions:

For the purposes of these general conditions of supply (hereinafter "Conditions of Supply"), the following terms have the meaning hereby assigned to them:

- ✓ "Douglas Chero": Douglas Chero Spa.
- ✓ "Client": any company, institution or legal entity that purchases Products directly from Douglas Chero.
- ✓ "Products": goods produced, assembled and / or sold by Douglas Chero.
- ✓ "Materials": means the processed materials constituting the finished Products.
- ✓ "Inquiry/ies": any proposed supply advanced by Douglas Chero to the Client.
- ✓ "Order / s": any proposed purchase of the Products by the Client to Douglas Chero
- ✓ "Supply / e": each contract of supply between Douglas Chero and the Client as a result of the receipt by the Client of the written acceptance of the order by Douglas Chero.
- ✓ "Trademarks": all the trademarks Douglas Chero owns or licenses.
- ✓ "Intellectual Property Rights" means all intellectual and industrial property rights of Douglas Chero, including, without limitation, the rights relating to patents for inventions, designs, utility models, trademarks, know-how, technical specifications, data, registered or not, and any application or registration relating to these rights and any other rights or forms of protection of a similar nature or having equivalent effect.

1. RULES OF SUPPLY

The supply is governed by the Conditions set out in this act that will be integrated by the next Invoice. These Conditions of Supply apply to all the Products supplied. In the event of any conflict between the terms and conditions set forth in these Conditions of Supply and conditions and the terms agreed in the single supply, the latter shall prevail. Douglas Chero will not be bound by general conditions of purchase of the Client (hereinafter "CGP"), even in the event that some references are contained in the orders or any other documentation of the Client, without the prior consent written by Douglas Chero. The CGP will not be binding on Douglas Chero even for acquiescence effect. In any case, all written communications shall prevail over verbal communications.

1.1 Inquiries

- a) The inquiries are subject to these general conditions of supply.
- b) The inquiries on stock availability are always considered subject to prior sale; in case, for all or for part, the Product offered is no longer available on receipt of the order, Douglas Chero will offer the Client a new delivery or a new price on the basis of the production plan and supply or availability the same product on the market. It will remain the Client's right to accept or refuse the proposal accordingly by sending a revision of the order.
- c) Inquiries and their contents are not intended to be a commitment by Douglas Chero if they are not followed by an order of the Client and the relative acceptance, tacit or explicit (order confirmation), by Douglas Chero as described below.

- d) In the event that the Client's order will be received after the period of validity fixed in the offer, Douglas Chero will have the faculty to confirm the order or propose other inquiries or terms of delivery.

1.2 Client's Order

The Client is required to send a written order, complete and defined in all its parts as well as to specify all the necessary information to purchase the Product necessary, but such examples are not exhaustive:

- Amount
- Product Description and nominal sizes (standard or special)
- Composition of the material
- Product construction, with or without welding (unless specified product will be provided at the discretion of Douglas Chero, according to art. 1.3 paragraph h)
- Specifies the number of materials
- Condition of the Product surface

The Client always has the duty to check upon delivery of the delivered products and documents, which are deemed accepted upon collection, including by carrier. Delivery is always understood to be ex works.

1.3 Order confirmation and technical supply Conditions

- a) The order confirmation issued by Douglas Chero offer will prevail in case of any discrepancy. Any requests for Products with characteristics differing compliance or additional to dimensional standards and applicable material, as well as other features and optional certification or documentation, must be specified at the time as it is requested by the Client and confirmed explicitly by Douglas Chero, on the inquiry. For such requests, feasibility and extra money will be highlighted, and expressly agreed in writing.
- b) Douglas Chero supplies its Products according to the specifications of compliance provided for in standards and highlighted any specific inquiry.
- c) Douglas Chero guarantees Products supplied through the issuance of "type 3.1" Certificates of Conformity of all parts subject to pressure, drawn up in accordance with EN 10204, or "type 3.2" when agreed between the parties.
- d) 11 Certificates of Compliance related to all materials are available at the offices of IRC for 10 years. The Certificates of Conformity related to the source materials are available for a maximum period of 10 years at a cost of 25 Euros for article.
- e) The nominal dimensions given in the order confirmation and in all other related documents are merely indicative, in consideration of the tolerances set and applied by the relevant regulations of the commissioned products.
- f) Douglas Chero design and construct in accordance with the following product standards: ASME B16.34, API 602 AND API 600, EN 10253-2 except when the following design and construction conditions are expressly stated in the request and subsequently confirmed in the inquiry by Douglas Chero : DESIGN CODE (ASME B31.1, B31.3, B31.4 and B31.8); DESIGN FACTOR (ASME B31.4 and ASME B31.8); DESIGN PRESSURE; DESIGN TEMPERATURE; CORROSION ALLOWANCE.
- g) Douglas Chero is committed to deliver the product under construction in accordance with the rule of art guaranteeing the high quality of the finished Product.

2. PAYMENTS CONDITIONS

The method of payment will be indicated on the invoice, which will also specify the conditions of surrender, packaging, price, quantity and description of the Products. Douglas Chero will issue an invoice to the Client following the delivery of Products or "notice of goods ready" in case of a Client who makes a "First order", according to the payment terms agreed between the parties and specified in the invoice.

Douglas Chero will accept a maximum of three (3) revisions/amendments of the purchase order with which the Client requests, at the same time, to defer payment of the amount due for the Documentation accompanying the goods sold and already delivered.

After the third revision request, the Client shall, in any event, be obligated to pay what is due for the Documentation of the goods already delivered, unless otherwise authorized in writing by Douglas Chero.

3. NON-PAYMENT OR DELAYED PAYMENT

Failure to pay within the agreed time and set out in the bill will have as consequences:

1. the application of default interest at the rate as provided by Italian Legislative Decree no. 231/2002, article 5 and 6;
2. the immediate suspension of supplies.
3. The loss of the benefit of the term for all subsequent payments not yet due

Douglas Chero will also have authority to obtain the immediate withdrawal of the unpaid goods in the place where this was to be found, reserving the ownership of the Products.

The late or non-payment of invoices for a period of more than five days time, entitles Douglas Chero, in addition to any other action, to demand advance payment for the remaining supply, or to consider suspended or terminated the contract and to suspend or cancel the performance of any other contracts in progress or to demand the return of already delivered Products and to resolve every single Supply signed, without the Clients can make claims for compensation or indemnification or reservations about it or may require any compensation for direct damage or indirect occasioned thereby for no reason.

Any claim relating to the Products and / or delivery of the same shall in no case justify the suspension or delay in payment.

The Client is obliged to pay compensation for all damages (emerging or loss of profits) arising from non-fulfilment of such contracts.

4. PACKING, MARKING, TESTING DETAILS AND SHIPMENT OF PRODUCTS

Douglas Chero will provide appropriate packaging according to its national standards by product type, however, it is explicitly exempt from any liability for losses and damages.

The Products to be supplied are always intended for delivery free establishment (EX WORKS - Incoterms 2020); travels the same, therefore, at the risk of the Client.

5. TERMS OF DELIVERY

Unless otherwise indicated in the order of the Client, Douglas Chero reserves the right to make partial or anticipated deliveries whose invoices will be issued with the same payment conditions agreed in the order.

The delivery dates set forth in the offers are approximate and do not constitute essential terms, in any case, do not include shipping times and will be specified in any order confirmation.

Given the merely indicative nature of the above terms, Douglas Chero is not liable for damages directly or indirectly caused by the late delivery of the Products and, in any case, does not accept any type of penalty.

The delivery mandatory terms possibly required by the Client must be specifically approved by Douglas Chero at the time of order confirmation.

Remain unaffected, even in the event of mandatory terms, the unforeseen cases, in addition to those of force majeure.

In any case the term of delivery is considered completed with communication of ready for dispatch by Douglas Chero.

The Client, when informed of the preparation of the shipping for the Products of its order, must decide to withdraw within three (3) days in the case of the Product commissioned with anti rust coating or 1 (one) day for material free of the same protection.

Otherwise Douglas Chero is entitled to store the products at his own discretion and at risk of the Client as well as to consider them made ex works.

The Carrier instructed to retire from the Client must show up at the offices of Douglas Chero already in possession of titles and reference information such as the order issued by the Client of Douglas Chero and / or Packing List, necessary to Douglas Chero to authorize the withdrawal. Each contract for the supply of Products is conventionally executed in the Douglas Chero headquarters located in 29013.Località Predaglie, Carpaneto Piacentino (Piacenza), Italy.

6. RETENTION OF OWNERSHIP AND RISK

The Client acquires ownership of the Products ordered only with the full payment of the invoice issued by Douglas Chero according to art. 1523 of Italian civil code, but any risk regarding the Products, including, without limitation, the risks of theft, decay or damage, will be on charge of the Client upon delivery of the Products to the first carrier at the point of withdrawal. After the delivery Douglas Chero will be released from all liability relating to the Products and possible reserves, claims, actions arising from or connected with the transport or other subsequent operations should be formulated and proposed by the Client exclusively against the carrier.

7. CONTRACT TERMINATION

Except cases of non-payment or delayed payment foreseen by the Art. 3 and to the forecast set forth in Art. 11, Douglas Chero may withdraw from the contract without charge and if it becomes aware of any rejected credits applicants, as well as the commencement of judicial proceedings monitory, ordinary, insolvency and even extrajudicial, charged to the Client and for any other violation concerning the contract and / or these general conditions of supply.

8. WARRANTY

Douglas Chero guarantees that the supply complies to the specifications and quantities as indicated in the invoice and that all Products are free from defects and workmanship for 12 months from delivery. Client acknowledges and agrees that the warranty is expressly limited to manufacturing defects and that are excluded from it, by way of example and without limitation, product damage caused by transport, from the loading / unloading operations, from use or improper treatment, by improper

storage or maintenance, misuse and according to the product specification, the ordinary user degradation, from repairs or replacements made by the Client or third parties without the prior consent of Douglas Chero or if they were parts of a hazardous event and / or damaging of which Douglas Chero cannot be responsible.

Douglas Chero does not, however, assume any responsibility for the applications and operations to which the material supplied at the Client's or user's premises will be subjected (by way of example, opening of the valve, opening of the filter cover or similar operations...). Extraordinary operations such as those described above (by way of example, valve opening, filter cover opening or similar operations...) may only be carried out after the warranty period has expired.

Douglas Chero guarantees that the products supplied comply with the specifications indicated in the inquiry and reiterated in the order confirmation. Douglas Chero does not guarantee that the same products are suitable for use and for the purposes intended by the Client or on its behalf, even if communicated during the offer/confirmation.

Douglas Chero does not guarantee the functionality of the Product if it is tampered with or improperly worked. Any other form of guarantee, express or implied, is excluded or superseded by these Terms. In any case, the Client's right to compensation, even against third parties, will be limited to a maximum amount equal to the value of the products which are defective or vices.

9. COMPLAINTS, TERMS AND CANCELLATION CONDITIONS

The Client acknowledges and agrees that the warranty is expressly limited to that indicated in Art. 8.

The Client must, under penalty of forfeiture of the right to damages, report in writing the obvious defects of the Product within 180 days of delivery free factory / ex Works - Incoterms 2020.

In any case, the warranty shall be void if any processing is carried out without authorization from Douglas Chero or if the Customer proceeds in the use of the disputed Product.

Douglas Chero reserves the right to check whether the complained faults are, if they are not related to storage or in inappropriate or careless handling of the Products by the Client and if they are, however, covered by the guarantee of Art. 8. The Client must cooperate in every reasonable way in order not to aggravate Douglas Chero position's.

In particular, in case of dispute the Client must ensure that the products are under such conditions as to be verifiable and inspected by Douglas Chero.

In the event of founded complaint as a result of verification by Douglas Chero, compensation is limited to replacement or payment of the equivalent of the amount recognized product mismatch, upon return of the same, excluded any right of the Client to request the termination of the contract or compensation for damages and reimbursement of expenses of any kind incurred or to pay penalties of any kind.

The complaint does not authorize the suspension of payment or the termination of agreements for other supplies. Any dispute regarding the quality of products can be relied upon, even by way of exception, in court, if he has not taken place on a regular payment for the Products to which the complaint refers.

According to the above and when agreed by the parties, the replacement of the defective product will take place through the delivery Works Incoterms 2020 of new material.

It will follow an emission of regular credit note following the return of the disputed material at the offices of Douglas Chero in Località Predaglie, Carpaneto Piacentino (Piacenza), Italy.

10. LIMITATION OF LIABILITY

Anyway, Douglas Chero is not liable for further damages caused directly or indirectly from the supply. Under no circumstances Douglas Chero will be liable for loss of profits and for any incidental, consequential or indirect damages of any kind suffered by the Client or be made to bear penalty clause of any kind.

Under no circumstances Douglas Chero will be held responsible for damages directly or indirectly caused by the delayed execution of the contract or the delayed delivery of the Products.

In any case, the Client's right to compensation, even against third parties, will be limited to a maximum amount equal to the value of the products which are defective or vices.

11. INTELLECTUAL PROPERTY RIGHTS

The Intellectual Property Rights are the complete and exclusive property of Douglas Chero and their communication or use under these Conditions of Supply does not create, in relation thereto, any right or claim to the Client. The Client undertakes not to take any action inconsistent with the ownership of the Intellectual Property Rights and in violation of the same.

The Client declares that: Douglas Chero is the exclusive owner of the trademarks; the Client will refrain from using similar trademarks and the recording and / or confused with the trademarks; the Client will use the Trademarks only in accordance with the instructions of the Douglas Chero and exclusively for the purposes set forth in these Conditions of Supply. Douglas Chero reserves the rights to all the documentation produced and / or supplied to the Client. Full details of offers, order confirmations, certificates of conformity, design documents and drawings issued by Douglas Chero will remain the property of Douglas Chero.

12. FORCE MAJEURE

Either party may suspend performance of its contractual obligations when such performance becomes impossible or unduly burdensome because of unforeseeable events beyond its control such as, without the list offered here can be considered limited to: acts of God, natural disasters, fires, floods, war (declared or undeclared), civil disturbances, riots, embargoes, sabotage, accidents, labor disputes, strikes, power outages, delays in delivery of components or raw materials.

In such cases and in general, when Douglas Chero cancels the contract by an impediment that is not dependent on its actual fault or privity, the Client is not entitled to compensation, fines, compensation or reimbursement and shall, if requested by Douglas Chero, pay for the goods already prepared or in progress

13. PROHIBITION OF ASSIGNMENT

The supply contract to which the conditions refer and the rights arising from it may not, in whole or in part, be assigned by the Client to third parties without the prior written consent of Douglas Chero.

This is without prejudice to Douglas Chero's right to assign to third parties the right to claim arising from the order confirmation/sales contract against the Client.

14. APPLICABLE LAW

The General Conditions of Supply and every single provision and any dispute arising from the interpretation, application, implementation, termination of the Agreement and these General

Conditions of Supply or otherwise relating to them will be governed by and construed in accordance with Italian Law as the supply relationship is considered concluded in Italy.

15. JURISDICTION

All disputes arising out of or related to these General Conditions of Supply and / or any provision will first be submitted to mediation in accordance with the Rules of Conciliation of Adr Aequitas (Conciliation Body at no. 5 of the respective register kept by the Ministry of Justice). Should the dispute not be conciliated outcome of the mediation, the same dispute will then be submitted to binding arbitration and will be referred to the Court of Piacenza.

The jurisdiction belongs to the Court of Piacenza.

Douglas Chero reserves the right in any case, when the promoter of a legal action as an actor, to promote such action in the place of residence of the customer, in Italy or abroad.

Località Predaglie (PC) ,lì

Client (stamp and signature)

Pursuant to and for the purposes of articles 1341 and 1342 of the Italian Civil Code, the Client declares to have read and approve specifically in writing the following articles: DEFINITIONS; 1 RULES OF SUPPLY; 2 PAYMENTS CONDITIONS 3. NON-PAYMENT OR DELAYED PAYMENT 4. PACKING, MARKING, TESTING DETAILS AND SHIPMENT OF PRODUCTS 5. TERMS OF DELIVERY 6. RETENTION OF OWNERSHIP AND RISK 7. CONTRACT TERMINATION 8. WARRANTY 9. COMPLAINTS, TERMS AND CANCELLATION CONDITIONS 10. LIMITATION OF LIABILITY 11. INTELLECTUAL PROPERTY RIGHTS 12. FORCE MAJEURE 13. PROHIBITION OF ASSIGNMENT 14. APPLICABLE LAW 15. JURISDICTION

Località Predaglie (PC) ,lì

Client (stamp and signature)