



ISAF S.p.A.

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Company subjected to the direction and coordination activities of AIR LIQUIDE WELDING (ALW) S.A.

GENERAL CONDITIONS OF SALE

published on the website www.isaf.it

1. DEFINITIONS

- 1.1 These General Conditions of Sale are applicable to Orders placed by the Customer, except in the case in which they are amended by a specific agreement accepted in writing by both the parties.
- 1.2 The following words shall have the following meaning in these General Conditions of Sale:
 - "Conditions" shall mean the General Conditions contained herein;
 - "Special conditions" shall mean the specific Conditions indicated in the Agreement or in the Order;
 - "Order Confirmation" shall mean the confirmation of the Order sent to the Customer by the Supplier;
 - "Agreement" shall mean an agreement for the sale of Products, stipulated by the seller ("Supplier") with third party purchasers ("Customer or Customers") following the receipt on the part of the latter of an Order Confirmation from the Supplier;
 - "Supplier" shall mean ISAF S.p.A.;
 - "Working day" shall mean any day from Monday to Friday (inclusive) that is not a public holiday;
 - "Order" shall mean a purchase order for Products sent by the Customer to the Supplier;
 - "Products" shall mean the consumable products for welding, i.e. everything provided by the Supplier in its catalogues.

2. GENERAL

- 2.1 These Conditions cancel and replace all prior agreements, also made verbally, between the Supplier and the Customer regarding the same subject and prevail over the purchase conditions of the Customer and over all other agreements of any kind made by the parties. Any special agreements, made with staff of the Supplier shall only be valid if expressly specified in the Order Confirmation.
- 2.2 Subsequent to the acceptance of the Customer, any order cancelled by the Customer shall entitle the Supplier to obtain the payment of a penalty, the amount of which is to be determined on the basis of the type and quantity of the Products ordered and on the basis of the status of the Order. This penalty is used to offset the negative consequences of the cancellation of an Order by the Customer. The right to compensation for further damages in any case is unaffected.
- 2.3 The Supplier may, at its discretion, confirm all or part of the Order, and in any case may refuse Orders that have not been duly drawn up or signed.

3. PRICE AND PAYMENT

- 3.1 The price owed by the Customer for the Products shall be the one indicated in the Order Confirmation.
- 3.2 The terms of payment are those indicated in the Order Confirmation and shall always be considered to be essential. Unless specifically agreed in the Order Confirmation, payments must be made within 30 (thirty) days from the end of the month in which the invoice has been issued.
- 3.3 In the event that the Customer fails to comply with the terms of payment stated above, without prejudice to the right of the Supplier to cancel the Order and any other right granted to the latter under law and these Conditions, the Supplier reserves the right to suspend and/or interrupt the delivery of further Products immediately, without any consequent liability.
- 3.4 In addition to the provisions of 3.3, in the event of the failure of the Customer to pay the price, the Supplier shall be entitled to offset any debts it owes to the Customer.
- 3.5 Interest in arrears shall be applied to all outstanding balances after the expiry of the payment deadline at the rate and using the methods provided for in Italian Legislative Decree no. 231/02 and subsequent amendments, as amended by Italian Legislative Decree no. 192/12 in transposing directive 2011/7/EU.
- 3.6 Unless stated otherwise, prices shall be calculated inclusive of standard packaging, net of tax and duties, net of transportation costs and net of any other costs not expressly indicated by the Supplier in the Order Confirmation.
- 3.7 The payment must be made by the same legal entity (Customer) that has placed the Order.

4. PRODUCT FEATURES

- 4.1 In addition to the provisions set forth in the catalogues, the Supplier does not guarantee the compliance of the Products with specifications and/or special standards requested by the Customer that have not been specifically accepted by the Supplier.

5. DELIVERY

- 5.1 Delivery is understood to be Ex Works (EXW).
- 5.2 If the transportation of the Products is entrusted to the Supplier, the latter shall be entitled to choose the delivery methods of the Products. Transportation in any case shall be at the risk and expense of the Customer. The Customer shall be informed of the availability of the Products by simple notification, also via telephone.
- 5.3 At the time of delivery of the Products it is the responsibility of the Customer to check their quantity, state, nature and compliance with the Order.
- 5.4 Complaints to the Supplier for deliveries that may not comply with the Order, must be made immediately and confirmed in writing within 3 (three) days from the receipt of the Products by the Customer. If this complaint is not made, the Supplier is exempt from any obligation towards the Customer.

6. DELIVERY TIMES

- 6.1 The delivery times indicated in the Order Confirmation are to be understood as purely approximate, in line with the predicted delivery at the time of the drafting of the Order Confirmation; except for cases of wilful misconduct or gross negligence, the Supplier shall not be liable for any delays in the delivery of the Products. If the delay in the delivery exceeds 2 (two) months from the date stated on the Order Confirmation, the Customer is entitled to withdraw from the Agreement and, in the event of demonstrable damages sustained as a result of the delay exceeding the 2 (two) months, is entitled to request compensation, the maximum amount of which cannot exceed 50% of the value of the undelivered Product indicated in the Order Confirmation.
- 6.2 The delivery times are understood as the date that the Products are taken on by the Transporter.
- 6.3 The delivery times always refer to Working Days.

7. TRANSFER OF RISKS AND OWNERSHIP

- 7.1 The risks related to the Products are transferred to the Customer at the time of delivery, unless the application of a different INCOTERM is agreed upon by the parties.
- 7.2 The Supplier maintains ownership of the Products supplied until the Customer has paid the full price for the Products.

8. WARRANTY

- 8.1 Unless provided for otherwise in writing by the parties, the warranty lasts for the period of time of 6 months, starting from the delivery date of the Products.
- 8.2 The warranty is not applicable in case of the result of normal use of the materials, of their improper use (in particular in environments for which the Products are not intended), of their failure to comply with instructions for use or maintenance, of maintenance defects and/or faults caused by improper use (or amendments made without the consent of the Supplier), of lack of supervision or of wrong storage or placement, of faults deriving from the use of spare parts or usage that does not originate from the Supplier and/or approved by the latter.
- 8.3 In order to implement the warranty, due to obvious defects, the Customer must inform the Supplier in writing of the defect that it attributes to the Product within 8 (eight) days from the receipt of the goods, providing all the justifications in this regard, all of which must be accompanied by supporting documents. With regards to hidden defects, the deadline for the written notification is 8 (eight) days from the discovery thereof.
- 8.4 Without prejudice to the provisions of article 8.2, the Supplier undertakes to make the repairs and/or replace the Products and/or the components thereof accepted as faulty by the Supplier. Transportation costs, including any customs fees, for the sending of the Products and/or components of the latter from the Customer to the Supplier for the repair and/or replacement and the transportation costs related to the subsequent re-delivery of the repaired and/or replaced Products and/or the components of the latter from the Supplier to the Customer shall be paid by the Customer.
- 8.5 The warranty shall be no longer valid if the Customer makes repairs or amendments to the Products personally or entrusts third parties with the aforesaid task without the written consent of the Supplier.

8.6 The action taken in accordance with this warranty does not imply the extension thereof and/or the start-up of a new warranty for the replaced components and/or Products.

8.7 In the absence of specific written provisions expressly agreed upon by the parties, no warranty is provided to the Customer for the achievement of a specific result and/or in relation to the performance of the Product.

9. RETURN OF PRODUCTS

- 9.1 Returned products shall be accepted by the Supplier only after the latter has given its prior authorisation in writing.
- 9.2 The Supplier reserves the right to subtract any inspection, packaging, restocking charges, administrative expenses and any other type of expenses from the value of the returned goods.
- 9.3 Returns must refer to new, unused and currently produced products.
- 9.4 The acceptance of returns of products due to order errors or for other causes not attributable to the Supplier, shall give rise to the debiting of storage fees at the rate of 15% of the purchase price of the returned Products.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1 Any drawing, catalogue or technical document sent to the Customer, prior or subsequent to the conclusion of the Agreement, remains the exclusive property of the Supplier and cannot be copied, reproduced, sent and/or communicated to third parties without the prior written consent of the Supplier, due to their strictly confidential nature. The breach of this obligation shall entitle the Supplier to cancel the Agreement and request compensation for any damage suffered.

11. DOCUMENTATION AND LIABILITY

- 11.1 The Products are delivered together with documents and/or certificates that illustrate their features, and their terms and methods of use, the importance of which for the correct use of the Products is acknowledged by the Customer. If the Products, for any reason, are delivered without the aforesaid documentation, the Customer is obliged to await the receipt thereof before using the Products. Otherwise, the Supplier is exempt from all liability for any damage and negative consequences that may result from this use.

12. LIMITATION TO LIABILITY

- 12.1 Without prejudice to the provisions of articles 4, 8 and 11, the liability of the Supplier for the non-performance of the Order and/or damage referable to the Products stated in the Order cannot exceed the amount paid by the Customer for the purchase of the Products subject of the Order. Under no circumstances shall the Supplier be liable for lost profits and/or indirect and consequential damages, such as, for example, loss of use and/or loss of production suffered by the Customer.

13. ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE no.231/01. CODE OF CONDUCT. RESTRICTIVE MEASURES

- 13.1 The Customer undertakes to refrain from acting in any way that may lead to the breach of the provisions and rules of conduct provided for in the Organisational Model pursuant to Italian Legislative Decree no.231/01 and the Code of Ethics adopted by the Supplier, which can be found on the website at the following addresses: <http://www.fro.it/it/about-saf-fro/modello-organizzativo.html> and www.fro.it/it/about-saf-fro/principi-di-azione.html. In the event of any breach, including partial breach, of this obligation, which constitutes the serious non-fulfilment of obligations, the Supplier shall be entitled to suspend the performance of the Agreement and/or cancel the latter, without prejudice to the right of the Supplier to compensation for any damages suffered.

- 13.2 **Dual Use:** The Customer undertakes to comply with the regulations of the European Trade Policy and the Dual-Use Export Regulations (http://ec.europa.eu/trade/import-and-export-rules/export-from-eu/dual-use-controls/index_en.htm). **Restricted Parties:** It is forbidden to sell products directly or indirectly to the following countries: Iran, Cuba, North Korea, Sudan and Syria. **Restrictive Measures:** The Customer is aware of the fact that it is forbidden to sell Products to the parties registered in the Restricted Parties List. Any restrictive, European, USA or UN measure regarding export, import or payment (such as, for example, embargoes, blacklists, Restricted Parties Lists), whether foreseeable or not, which involves the Customer, its personnel, its bank, its commercial and financial intermediaries and/or End Users, automatically suspends the fulfilment of the related sales obligations, constituting an event of *force majeure* that entitles the Supplier to cancel the Agreement with immediate effect at its sole discretion, without any obligation to give notice and without any liability towards the Customer. **Anti-corruption:** In the fulfilment of its obligations, the Customer undertakes to comply in particular with the laws and regulations in force regarding anti-corruption laws (<http://www.airliquide.com/en/company/ethics/anti-corruption-code-of-conduct.html>).

14. FORCE MAJEURE

- 14.1 The Supplier may suspend the performance of the Order when this performance is rendered impossible or unreasonably burdensome due to an unforeseeable impediment, beyond its control, such as, for example: strikes, boycotts, lock-outs, fire, war (declared or otherwise), civil war, rebellions, revolutions, requisitions, embargoes, energy interruptions and delays in the delivery of raw materials.
- 14.2 The Supplier must inform the Customer of the occurrence and end of any events of *force majeure*.

15. CONFIDENTIALITY

- 15.1 The Customer undertakes to treat the information received from the Supplier as confidential and to refrain from sending it or disclosing it to third parties, except in the case where this information: a) is known to the Customer prior to its sending by the Supplier; b) is or has become public knowledge; c) has been communicated to the Customer by a third party that is not bound by a confidentiality obligation.

16. APPLICABLE LAW AND JURISDICTION - PRESUMPTION OF ACCEPTANCE OF THESE CONDITIONS

- 16.1 All Agreements are governed by Italian law.
- 16.2 For any dispute arising from the interpretation and/or performance of the Order and/or these General Conditions of Sale shall be referred to the exclusive jurisdiction of the Court of Verona.
- 16.3 The delivery of the Products shall in any case constitute the Customer's tacit acceptance of these General Conditions of Sale of ISAF S.p.A.

The Customer, having been informed pursuant to art.13 of Italian Legislative Decree no.196/2003, specifically expresses its consent to the processing of any data provided.

In acceptance

Date and Place

The Customer (stamp and signature)

Pursuant to and in accordance with articles 1341 and 1342 of the Italian Civil Code, the Customer declares that it has read and expressly approves the following clauses: art.2.2 (Penalty for the cancellation of Orders); art.3.3 and 3.4 (Payment of the Price); art.5.4 (Delivery); art.6.1 (Delivery Times); art.7 (Transfer of Risks and Ownership); art.8 (Warranty); art.9 (Return of Products); art.11 (Documentation and liability); art.12 (Limitation to Liability); art.13 (Organisational Model pursuant to Italian Legislative Decree no.231/01. Code of Conduct. Restrictive Measures) and art.16 (Applicable law and Jurisdiction - Presumption of acceptance of these conditions).

In acceptance

Date and Place

The Customer (stamp and signature)