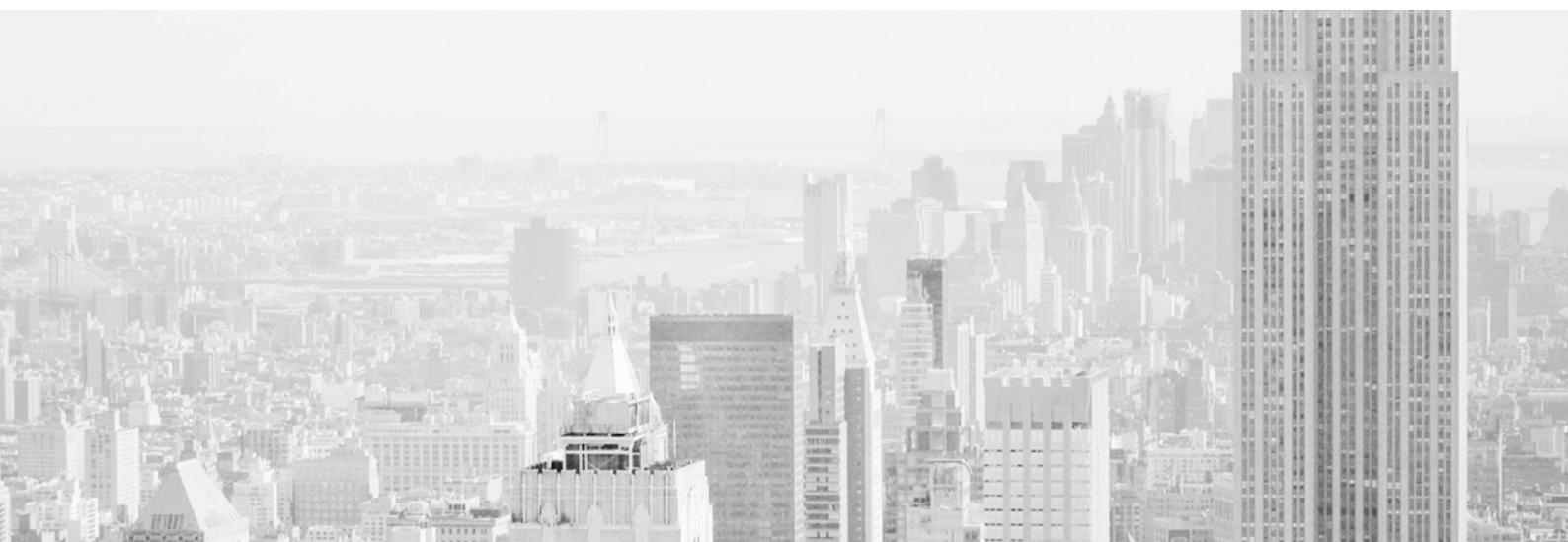


Movement by Perfection



The Royal League in ventilation, control and drive technology

General Terms and Conditions of Business

September 2017

Please note that this is an English translation of the original Italian version. Both language versions shall have the same legal effect. In case of any conflict, the original Italian version shall prevail.



Content

I.	Application of the General Terms and Conditions	3
II.	Offers, Scope of Performance	3
III.	Price	3
IV.	Terms of Payment	3
V.	Delivery and Service Periods	3
VI.	Passing of Risk and Receipt	4
VII.	Claims based on Defects	4
VIII.	Liability	5
IX.	Other Duties by the Customer, Export Control	5
X.	Confidentiality	6
XI.	Miscellaneous	6

General Terms and Conditions of ZIEHL-ABEGG Italia S.r.l.

I. Application of the General Terms and Conditions

1. All our deliveries, services, and offers are made exclusively on the basis of the present General Terms and Conditions. Consequently, these General Terms and Conditions also apply to all future business relations even if not expressly agreed upon again in the future.
2. With the receipt of the goods and services by the Customer, at the latest, these General Terms and Conditions are deemed accepted. Counter-confirmations by the Customer with a reference to the Customer's General Terms and Conditions or General Purchase Conditions are hereby rejected. Contrary conditions of the Customer are not binding on us even if the order is based upon them or if the Customer refers to them on forms or in other documents. Conflicting terms and conditions of the Customer are hereby expressly excluded.
3. These General Terms shall apply exclusively with regard to commercial legal relations between entrepreneurs (B2B). It's hereby expressly excluded the application of the Italian Customer Law (D.lgs. 260/2005).
4. The Customer accepts that, according to UE Rules, the use of the sold goods might be limited by specifics requirements in the UE area.
2. If the delivery or service is to be made or provided more than four months after the conclusion of the contract, we reserve the right to reasonably raise our prices if there has been a significant increase in the factors prevailing at the time the contract was entered into, that are decisive for the determination of our prices, in particular, in the cost of materials, wages, and public charges.

IV. Terms of Payment

1. To the extent not otherwise agreed, our invoices are payable without deduction ten days after they are issued. Payment in cash or by bill of exchange is accepted only on the basis of a special agreement.
2. Payments will be deemed made only when we can dispose of the amount. In the case of a check, payment is deemed made only when the check is collected.
3. If the Customer defaults in payment, we are entitled to claim interest at a rate of 8% above the basic interest rate applicable at the time p.a. from the relevant point in time. We reserve our right to assert further claims for damages.

V. Delivery and Service Periods

1. Delivery dates or periods, which may be agreed upon as binding or non-binding, must be agreed upon in writing.
2. We are not liable for delays in delivery or performance that occur due to force majeure or because of events that considerably complicate our delivery or make delivery impossible – these events particularly include, as example, strikes, lock-outs, official orders, etc., even if the same occur at our suppliers or their sub-suppliers – even if periods and dates have been bindingly agreed upon. Such events entitle us to delay the delivery or service for the duration of the impediment plus a reasonable start-up period. If such events considerably change the economic importance or the content of the delivery or service or if they have a significant impact on our business operation, we may additionally demand that the contract be reasonably adjusted. If the impediment continues more than one month, we are entitled to rescind the contract in whole or in part without liability. If we wish to make use of this rescission right, we must notify the Customer of such intent after we have become aware of the importance of the relevant event. If, because of such events, the

II. Offers, Scope of Performance

1. For the scope of our deliveries and services, our written confirmation of the order is decisive or, if we submit an offer with a limitation in time and such offer is timely accepted, the offer shall not be considered binding if the order is not confirmed in due time.
2. We unrestrictedly retain all exploitation rights under property and copyright law in all cost estimates, drawings, and other documents; such documents may not be passed on to third parties. Drawings and other documents that are part of our offers must be returned to us without undue delay if the order is not placed with us.

III. Price

1. In the absence of a separate agreement, our prices are ex works including loading at our works. To these prices, VAT at the statutory rate applicable at the time will be added.

delivery period is extended or we are released from our obligation to perform, this does not give rise to claims for damages on the part of the Customer. However, we may plead the aforementioned circumstances only if we have notified the Customer accordingly.

3. If we are liable for non-compliance with bindingly agreed periods and dates for performance or if we are in delay, the Customer's claim is limited to compensation in an amount equal to 0.5% for each entire week of delay up to a maximum of 5% of the invoice value of the deliveries and services concerned by the delay. Additional claims are expressly excluded unless the delay is based at least on gross negligence.
4. We are entitled to make part deliveries and to perform in part unless this is an unacceptable burden to the customer.
5. Compliance with our obligations to deliver and perform requires the timely and proper fulfillment of the Customer's obligations.
6. The delivery period is deemed to have been met if the goods have left the works, or if we have given notice of the goods being ready for dispatch, by the time the delivery period expires. The delivery is subject to the condition that we are timely and properly supplied ourselves.
7. In the event of a significant delay in delivery, the Customer is entitled to rescind the contract if, upon occurrence of the delay in delivery, the Customer sets an additional and reasonable period for performance with the warning that performance will not be accepted after the expiration of such additional period..
8. If the Customer defaults in acceptance, we are entitled to claim compensation for the damage incurred by us; with the occurrence of the default in acceptance, the risks of accidental deterioration and accidental loss or destruction pass to the Customer.

VI. Passing of Risk and Receipt

1. To the extent not otherwise agreed, the risk passes to the Customer no later than with the dispatch of the parts to be delivered, even if part deliveries are made. In case any different risk is agreed by the parties, the Incoterms will be used as a reference.
2. If there is a delay in shipment due to circumstances for which the Customer is responsible, the risk passes to the Customer from the day the goods are ready for dispatch.

VII. Claims based on Defects

1. The Customer may not refuse to accept deliveries because of insignificant defects. The Customer's obligation to inspect and notify and its consequences are based on art. 1495 of the Italian Civil Code. This applies subject to the condition that obvious defects and defects that are identifiable on a due inspection are to be notified in writing no later than 8 days after handover of the goods to the Customer. Other (hidden) defects shall be notified to us in writing no later than 8 days after they are discovered. Notifications of defects shall be sent in writing to our head office; notifications of defects to field staff, carriers or other third parties are not regarded as submitted in due form and time.
2. We assume no liability for a specific application or suitability unless explicitly agreed in writing. The Customer shall be responsible for operating the products within their technical specifications. Claims based on defects are excluded in particular if and insofar as damage to the delivered item or to other assets of the Customer is caused as follows:
 - a. incorrect processing, assembly or treatment;
 - b. incorrect installation of the delivery item by the Customer or a third party, except where the incorrect installation is based on our instructions, whereby our field staff are not authorized to issue instructions;
 - c. noncompliance with instructions on commissioning, possible applications and operation of the delivery item contained in the documentation of the delivery item, operating instructions or instructions that we issued;
 - d. normal wear and tear that cannot be ascribed to production or material defects;
 - e. inappropriate handling or repairs of the goods by the Customer or third parties that were carried out inappropriately, in particular on interference by nonqualified persons or use of nonoriginal spare parts or resources.We do not assume any liability either for defects for which the Customer is responsible or that are due to a technical cause other than the original defect.
3. If a defect exists and the goods must be returned to us, the return shipment may be made only with our prior consent. Return shipments made without our prior consent will not be accepted.
4. If, due to a justified notification of defects, goods are repaired or a replacement delivery is made, the provisions in Section VII concerning delivery periods apply correspondingly.
5. The existence of a defect that has been established as such and that has been notified to us in due form and time gives rise to the following rights of the Customer:
 - a. If a defect exists, the Customer may first demand that we remove the defect or make a replacement delivery ("subsequent performance"). We will choose in our discretion whether to newly deliver the item or whether to remove the defect,



unless clause VII. 5 c) applies. If the defect is removed, in so far as the notification of defects proves justified, we are obligated to bear the following direct expenses, borne by us, necessary for the removal of the defect, in particular, transportation and travel expenses and the cost of our own labor and materials, to the extent that such costs and expenses are not increased due to the fact that the goods have been brought to a place other than the delivery address. This is limited to those costs that arise or would arise in regard to the delivery address for the goods. If the goods are shipped to an address other than the delivery address, the Customer must bear the extra costs that this causes, if the shipment was not part of the delivery contract between the Customer and us;

- b. We shall be entitled at our option to employ third parties to carry out repair works or a replacement delivery. This does not establish a contractual relationship between the Customer and the third party. In this case, our liability does not go further than if we had carried out the works or the delivery ourselves;
 - c. Regulations in relation to a subsequent performance, for example pursuant to clause VII. 5 a) or VII. 5 b), do not apply insofar as these regulations would cause an unacceptable burden to the customer, for example in the case of an unjustified refusal or unacceptable delay of the subsequent performance;
 - d. If a notification of defect by the Customer proves to be unjustified, the Customer must reimburse us for all costs and expenditure that this caused.
6. The limitation period for the Customer's claims that are based on defects is one year unless the defective item has been used for a building in accordance with its usual manner of use and has caused a defect of the building. The one-year limitation period equally applies to tort claims that are based on a defect of the goods. The limitation period begins to run with the delivery of the goods. The statutory limitation periods apply to losses resulting from a breach of guarantee or from death, bodily injury or damage to health, for willfulness and gross negligence and for claims based on mandatory statutory provisions regarding product liability. If we make a statement in respect of a claim based on defects that has been asserted by the Customer, such statement is not to be deemed a commencement of negotiations concerning the claim, or the circumstances giving rise to the claim, if we fully reject the relevant claim. The Customer must in all cases prove that the defect existed already at the time of delivery.

VIII. Liability

1. We are liable for losses resulting from a breach of guarantee or from death, bodily injury or damage to health. This applies as well if we or our senior executives or vicarious agents are liable for willfulness, fraudulent misrepresentation or gross negligence.

2. We are liable for slight negligence only insofar as material obligations are violated that result from the nature of the contract and are of particular importance for achieving the purpose of the contract and where the Customer relies and may rely on compliance with them. In case of a breach of a material contractual obligation, default and/or impossibility, the Customer's claim is limited to damages and reimbursement of expenses for losses that are typical for the contract and are foreseeable.
3. In case that the Customer or one of its Customers resells the goods delivered by us to an end-Customer (natural person), the statutory provisions of the Italian Customer Law (D.lgs. 260/2005) apply to claims based on defects. In this case we are only liable insofar as the Customer did not grant its Customer terms which exceed the statutory mandatory provisions for claims based on defects and subject to the condition that the Customer fulfilled its obligation to inspect and notify.
4. No repair of defects, replacement delivery or payment of damages may be regarded as recognition of a legal obligation unless in a specific case we agreed otherwise in writing.

IX. Other Duties by the Customer, Export Control

1. The Customer may not alter the goods in any respect that is relevant for safety; in particular, the Customer may not alter or remove existing warnings of dangers in case of improper use of the contractual goods. If this duty is violated, the Customer must internally indemnify and hold us harmless from and against product liability claims of third parties to the extent that the Customer is responsible for the defect giving rise to liability.
2. If we must issue a product recall or a product warning because of a product defect concerning the goods, the Customer will assist us and take all reasonable measures ordered by us. The Customer is obligated to bear the cost of the product recall or product warning to the extent that according to the principles of product liability law, the Customer is liable for the product defect and the damage sustained. Further-reaching claims on our part remain unaffected.
3. The Customer shall notify us without undue delay of any risks in the use of the contractual goods and of possible product defects of which the Customer becomes aware.
4. The supply of goods (products, software, technology) in the performance of this contract may be subject to export

restrictions or prohibitions. The Customer shall comply with all applicable export control regulations and corresponding restrictions. This particularly applies to European, German and, if relevant, provisions of US law relating to (re-) exports. In the case of a re-sale / forwarding of the supplied goods, the Customer shall draw the recipient's attention to the provisions of export control law.

5. In particular, the Customer shall ensure that goods are not used, either directly or indirectly, for a purpose that is connected in any way to chemical, biological or nuclear weapons and their carrying systems. Furthermore, the Customer shall ensure that the items are not put, either directly or indirectly, to a military end-use in a country subject to a weapons embargo. The Customer shall not sell, export, re-export, supply, forward the goods or otherwise make them available to persons, companies, facilities, organizations or in countries, either directly or indirectly, if doing so would violate European, German or any other applicable export control laws and regulations, including U.S. provisions relating to (re-)exports.
6. The Customer shall, on request, provide end-use certificates in order to prove the final destination and end-use of the products required for the application of any exports licenses or approvals.
7. The Customer shall be fully liable for any loss suffered by us that has been caused by its failure to comply with the applicable export control provisions, including US (re-)export provisions.
8. The performance of the contract and corresponding obligations are subject to the condition that the required export or transfer authorizations, approvals or any other authorizations stipulated by foreign trade law or clearances by the competent authorities are issued and that there are no other legal restrictions owing to provisions of export control law that must be complied with.
9. The Customer shall be responsible for all taxes, charges and duties in connection with the service outside the Federal Republic of Germany and compensate us if applicable.

X. Confidentiality

Except as provided at point II, 6, the contracting parties are under obligation to maintain, for an unlimited period of time, the confidentiality of any and all information that becomes available to them and is referred to as confidential or can be recognized as a trade or business secret according to other circumstances, and they may neither record nor pass on or exploit such information. The contracting parties shall ensure through adequate contractu-

al. arrangements with their employees and agents that the latter, too, refrain for an unlimited period of time from the exploitation, circulation, or unauthorized recording of such trade or business secrets on their own behalf.

XI. Miscellaneous

1. The transfer of rights and obligations of the Customer to third parties is subject to our written consent.
2. The legal relations between the contracting parties shall be governed by the laws of the country in which our company has its registered office. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.
3. Regarding legal relations between merchants the exclusive place of jurisdiction for all disputes arising from the business relationship between the contracting parties shall be the place where our company has its registered office. We are further entitled to bring an action at the Customer's principal place of business, as well as at any other permissible place of jurisdiction.
4. If a provision in this agreement is or becomes invalid or impracticable in whole or in part or if there is a gap in this agreement, this shall not affect the validity of the remaining provisions hereof. Instead of an invalid provision the statutory provisions shall apply. If a provision in this agreement is or becomes unenforceable and the statutory provisions should result in a unreasonable solution for either Party, a provision corresponding to what would have been agreed upon according to the purpose of this agreement if the contracting parties had considered the relevant issue from the beginning shall be deemed agreed upon. The preceding sentence shall apply correspondingly in the event of a gap.
5. This GTC is executed in both Italian and English. Both language versions shall have the same legal effect. In case of any conflict, the Italian version shall prevail.



The Royal League

