



FLO CONTROL

SOLENOID VALVES AND SYSTEMS

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Terms and Conditions

1. Applicability

- 1.1. These general Terms and Conditions for the sale of goods and/or services (the “**Terms**”) shall apply to any sale by FLO CONTROL s.r.l. (together with any of its affiliated entities, subsidiaries or holding companies, referred to as “**Vendor**”) of any FLO CONTROL products (the “**Product(s)**”) and/or any FLO CONTROL services (the “**Services**”), both hereinafter either individually or combined referred to as the “**Supplies**”, to the person or entity placing an order with FLO CONTROL which is accepted by under these Terms (the “**Buyer**”). The Buyer and FLO CONTROL are collectively referred to as the “**Parties**” and each individually as a “**Party**”.
- 1.2. Except for separate agreements the Vendor’ offers, sales and deliveries shall be subject to these Terms. Buyer’s terms of purchase or other agreements deviating there from shall only be accepted, if confirmed by the Vendor in writing thereby being regarded as supplemental terms of sale.
- 1.3. Buyer’s reference or counter-confirmation by referring to his terms of purchase shall expressly be excluded.

2. Offer and Conclusion of Contract

- 2.1. Vendor’s offers shall not be binding. The Vendor shall, therefore, be entitled to revoke them at any time.
- 2.2. Buyer’s orders shall be legally binding if confirmed by the Vendor in writing or upon delivery of the Product(s).
- 2.3. Weights, dimensions, capacities, prices, services, etc. referred to in catalogues, brochures, circulars, advertisements, illustrations and price lists shall not be binding insofar as they are not expressly referred to as part of the contract. This shall apply accordingly to DIN standards, drawings, weights, dimensions and plans.

3. Product Modification

- 3.1. Between the order confirmation date and the execution date the Vendor reserves the right to make changes without affecting the use and initial functions that are deemed necessary for the best operation of the parts and equipment to be supplied.
- 3.2. This does not constitute a reason for the Buyer to withdraw from the contract or to claim compensations or reimbursements of any kind.

4. Delivery of Product(s)

- 4.1. The scope of Vendor’s deliveries shall be subject to the details in the Vendor’s order confirmation, and in the absence of such document, subject to the details in the Vendor’s offer.

- 4.2. The Buyer shall be responsible for the correctness of the documents to be provided such as drawings, gauges, specimens, etc.. Details on dimensions, etc., shall require a written confirmation.
- 4.3. Specimens/Samples will be supplied against payment at Buyer's expressed wish. The Vendor reserves the right to modify the object of delivery if this does not have a negative effect on the function or results in a functional improvement.
- 4.4. The vendor shall comply with foreign regulations only if expressly agreed upon and on the basis of Buyer's detailed information. Additional costs (if any) involved shall be borne by the Buyer.
- 4.5. Delivery of Product(s) is always considered to be free Vendor's works (EXW - Incoterms 2020) unless other written agreements are reached.

5. Delivery Time and Default

- 5.1. A delivery time is deemed to have been complied with if the Product(s) have left the Vendor's company prior to the expiration thereof or if the Product(s) are ready for dispatch and the shipping documents have been communicated to the Buyer.
- 5.2. The delivery time can only be complied with if there are no unclear points regarding the order and if all permits have been issued and if the Vendor has received all documents, payments, and securities to be provided by Buyer. The delivery period shall be extended by a reasonable period of time if the above conditions have not been met.
- 5.3. The shipping dates indicated on the Vendor's order confirmation are purely indicative and may thus be varied. The Vendor declines all liability for failure to comply with the terms of delivery in the case of additional requests by the Buyer, difficulties in procurement of supplies, delays by its own suppliers, force majeure, strikes, lockouts, orders of the authorities, internal faults or any other unforeseen or unpredictable event that may occur. The Vendor may also indicate new, appropriate shipping dates without the Buyer having any rights whatsoever in this regard, subject to any other written agreements between the Parties.
- 5.4. Any delay in delivery or eventual partial execution of such delivery will not give the Buyer the right to withdraw from the contract nor to claim compensation for direct or indirect damages, nor to delay, with respect to the agreed upon deadlines, the payment of the Supplies already invoiced.
- 5.5. If the Buyer requests a change of delivery date already confirmed by the Vendor, it has to be accepted by the Vendor in writing. The vendor reserves the right to charge any additional cost arising from that change.

6. Prices

- 6.1. All prices are ex works plus the respective value added tax payable in Italy. Additional costs of packing, transport, insurance, customs, etc. shall be borne by the Buyer. This shall also apply accordingly to partial and express deliveries.
- 6.2. Additional costs for any specific tests or documents required by the Buyer on a specific order/contract shall also be borne by the Buyer.
- 6.3. All prices shall be in EURO (€).

- 6.4. Unless otherwise agreed upon in writing Vendor's prices are based on his price list which is subject to change at any time.
- 6.5. The Vendor may reserve the right to apply a minimum net amount of 250€ per individual invoice.
- 6.6. The Vendor may implement his policy of reviewing the agreed prices based on sudden, unforeseeable increases in the costs of labour, the costs of raw materials or supplementary materials or taxes or duties that affect the Products' commercial value. The Vendor may also apply his price review policy if, at the Buyer's expressed written request, the Product has to undergo further processing if the shipment is urgent, or if there is a request for a shorter lead time compared to the time originally agreed upon between the Parties.

7. Shipments

- 7.1. The shipments are always carried out at the expense and risk of the Buyer (EXW Peschiera Borromeo – Incoterms 2020) and, if no instructions are provided by said Buyer, with the means considered most appropriate by the Vendor.
- 7.2. In accordance with Article 1510 of the Italian Civil Code the Product(s) are transported at the exclusive risk of the Buyer even if agreed and shipped with no shipping cost charged.
- 7.3. Unless otherwise agreed upon in writing and signed by both Parties, the Buyer will be responsible for insurance, transport, stock expenses, etc..
- 7.4. The Product(s) are insured by the Vendor only when requested in writing on time by the Buyer who shall bear the expenses, indicate the general insurance conditions and exonerate the Vendor from all responsibilities.

8. Force Majeure / Reservation of self-supply

- 8.1. If the Vendor is prevented from effecting delivery and providing Services in time due to mobilisation, war, riots, strike, lockout, stoppages, fire, natural disasters, transportation problems, modification of legal requirements, governmental measures or regulations or any other circumstances beyond Vendor's control, the delivery period shall be renewed correspondingly.
- 8.2. If the Vendor can prove that despite a most careful selection of Vendor's suppliers and the conclusion of all necessary contracts on reasonable terms the Vendor has not obtained delivery from his suppliers, the delivery period shall be renewed by the period of such delay caused by the supplier's failure to effect delivery in time.
- 8.3. If, in view of the above circumstances, the Vendor is unable to execute delivery, he shall be under no obligation to perform and/or the Vendor is entitled to rescind the contract.
- 8.4. If a hindrance referred to par. 8.1. and 8.2. hereof exceeds a period corresponding to the duration of the condition of force majeure, Buyer shall be entitled to withdraw from the part of the contract not fulfilled.
- 8.5. If the delivery period referred to in par. 8.1. or par. 8.2. hereof is extended or if the Vendor is no longer under an obligation to effect delivery, Buyer shall not be entitled to any claim for damages derived there from.

8.6. The Vendor shall only refer to such circumstances if he has notified the Buyer thereof immediately.

9. Payment

9.1. If Buyer has not defaulted any payments and if Buyer's financial situation has not deteriorated in a way constituting a risk to our claims for payment, Buyer shall be entitled to effect payment in accordance with the terms stated by the Vendor.

9.2. If Buyer is behind schedule, the Vendor shall be entitled to demand interest at the annual rate from the respective date of 8 percent points above base-lending rate provided that the Vendor does not produce evidence of a greater damage. This shall not affect the Vendor's right to claim interest after the due date.

9.3. If the Buyer has defaulted previous payments or if his financial situation has deteriorated in a way constituting a risk to Vendor's claim for payment, the Vendor may demand payment of the purchase price prior to delivery. The Buyer may discharge such obligation by providing security equalling the purchase price.

9.4. In addition, the Vendor reserves the right to suspend the delivery of the Product(s) at any time if information is received indicating that the Buyer is in a financial position that would create any doubts about his solvency.

9.5. The Vendor reserves a similar right if the Buyer has delayed the payments, also for previous Supplies.

9.6. The suspension of the delivery for the reasons described above can be avoided or revoked only if the Buyer provides a suitable security; if not, the Buyer cannot claim any compensation for damages from the Vendor.

9.7. The Buyer shall not be entitled to set-off claims provided that such claims are not disputed or are valid in law.

9.8. The Buyer may not, for any reason and without specific written authorisation by the Vendor, make any reduction in the price agreed upon on the Vendor's order confirmation. Likewise, the Buyer may not, for any reason, delay and/or suspend payment for the Product(s) listed on the purchase order. In particular, allegations of non-conformities of the Product(s) supplied by the Vendor shall not in any way authorise the Buyer to deduct or suspend payment for the Product(s) under dispute nor for any other products sold to the Buyer by the Vendor.

10. Reservation of Title

10.1. The Product(s) delivered shall remain Vendor's property until payment of the purchase in full in accordance to Article 1523 Italian Civil Code.

10.2. The Buyer shall be entitled to resell the delivered Product(s) in the ordinary course of business; pledging or a transfer of ownership by way of security shall require Vendor's consent.

10.3. Buyer's claim from a resale of the delivered Product(s) shall be assigned to the Vendor herewith, and the Vendor shall accept such assignment. Notwithstanding this assignment and Vendor's right of collection Buyer shall be entitled to collect as long as he meets all obligations and if his financial situation has not deteriorated.

- 10.4. If requested, the Buyer shall give the Vendor all necessary details on the claim assigned and, in particular, a borrowers' list including name, address, amount of claim and date of invoice, and he shall notify the borrowers of such assignment.
- 10.5. The Buyer shall process the delivered Product(s) on behalf of the Vendor without putting the Vendor under any obligation. If the delivered Product(s) are processed, combined and mixed with other goods not belonging to the Vendor, the Vendor shall be entitled to a co-ownership share in the new products with the invoice value being in proportion to the remaining Product(s) processed at the time of processing, combining or mixing. If the Buyer acquires sole ownership in the new product, the Parties agree that the Buyer shall grant the Vendor a co-ownership in the new product being proportional to the invoice value of the processed, combined or mixed delivered Product(s), and he shall deposit same on behalf of the Vendor free of charge.
- 10.6. If the delivered Product(s) are resold together with other goods irrespective of any processing, combining or mixing thereof, the above advance assignment shall be limited to the invoice value of the delivered Product(s) sold together with the other goods.
- 10.7. The Buyer shall immediately notify the Vendor of any third-party judicial execution measures upon the delivered Product(s) or the claims assigned in advance, and he shall furnish all documents required to intervene.
- 10.8. The Vendor undertakes to release the securities he is entitled to as provided for herein at Buyer's request insofar as their value exceeds the value of the claim by a factor of 10 or more.

11. Passing of Risk

- 11.1. If the Product(s) are sent to the the Buyer at his request, the risk of accidental loss or deterioration of Product(s) delivered shall pass on to the Buyer when handing the Product(s) over to the forwarder, carrier or the person responsible for dispatch. This shall apply accordingly, if the place of delivery is not identical with the place of fulfilment and/or if the Vendor has paid the freight charges.
- 11.2. If the Product(s) are ready for dispatch or if delivery is delayed for reasons the Buyer is responsible for, the risk shall pass onto the Buyer upon receipt of the notice saying that the Product(s) are ready for dispatch.

12. Warranty and Complaints

- 12.1. On receipt of the Products, the Buyer is required to check the number and type of Product(s), and that these are intact. Any complaints about defects which can easily be recognised by the Buyer in relation to the delivered Product(s) must be made in writing to the Vendor within 8 (eight) days from receipt of the Product(s). If the complaints are not made within the 8-day period, the Supplies will be considered accepted and the Vendor may reject any complaints or reports sent by the Buyer after that period.
- 12.2. Unless specifically agreed otherwise in writing, the Vendor warrants the quality of the Product(s) for a maximum of 12 (twelve) months from the date of delivery to the Buyer, except for wear and tear due to use and/or storage, and except for any defects and/or flaws caused by transport. This warranty excludes any further damages, including

damages due to non-production or reduced production, as well as indirect or consequential or special, incidental and/or disciplinary damages.

- 12.3. In accordance with Article 1495 of the Italian Civil Code, the Buyer forfeits the right of warranty under Article 1490 of the Italian Civil Code if he fails to report any faults (which are not easily recognisable) to the Vendor within 8 (eight) days from discovery; in accordance with Article 1495 (III) of the Italian Civil Code, an action under warranty is limited to one year from the date of delivery.
- 12.4. If a defect is discovered at the time of the passing of the risk although greatest care was taken, the Vendor shall repair the Product(s) or replace same at his discretion provided that a complaint has been communicated to the Vendor in time. The Vendor shall be given the chance of subsequent performance within a reasonable period of time.
- 12.5. Claims based on a defect shall not be asserted in case of minor deviations from the agreed condition, minor changes in the merchantability of the Product(s), wear and tear, and damage following the passing of the risk and attributable to improper handling, excessive use, improper production facilities or circumstances not provided for in the contract. Claims that could arise from improper modifications, maintenance or repair by Buyer or third parties shall be excluded.
- 12.6. Buyer's claims on grounds of expenses (transport, infrastructure, labour and material, in particular) required in connection with a subsequent performance shall be excluded insofar as such expenses have increased as the Product(s) delivered by the Vendor were subsequently transported to a place being different from Buyer's location unless such transport is required to use the Product(s) as intended.

13. Returned Goods Policy

- 13.1. The Product(s) may be returned by the Buyer to the Vendor only with the prior written authorisation by the Vendor. Such authorisation can only be obtained if the Buyer provides a written report containing appropriate information to specifically identify the defect, the Product under dispute, the batch number, the date and place of delivery (e. g. order, transport document, shipment number, invoice). The Vendor may request additional information on the defects complained of by the Buyer in order to authorise or reject the return of such Product(s).
- 13.2. If the Vendor does authorise the return of the Products, the Buyer must send the Products in question to the registered office of the Vendor or to another place specified by the Vendor, in order to allow the Vendor to carry out the necessary investigations, within 30 (thirty) days from the notification of Vendor's authorisation to return the products, unless agreed otherwise in writing by the Parties. The Parties agree that after the Vendor has carried out the necessary investigations and if the defects or flaws complained of by the Buyer are accepted, the Vendor may, at his sole discretion, authorise the issue of one or more replacement Products, the return of the reconditioned Product(s), or the issue of a credit note corresponding to the recognised defects; any other right or claim by the Buyer is hereby excluded.
- 13.3. If any Product(s) have been returned without the Vendor's prior written authorisation, the Vendor may request the Buyer to collect the returned Product(s) at its own expense. If the Buyer does not collect the Product(s) within 6 (six) months from the date of the

Vendor's request, the Vendor may scrap the disputed Product(s) and charge the Buyer for the costs of scrapping, subject to the right to reimbursement of the cost of storing the Product(s) in any case.

14. Other claims for Damages

- 14.1. Unless otherwise provided for herein claims for damages against the Vendor and his personnel or vicarious agents shall be excluded provided that neither Vendor's senior executives, personnel or vicarious agents have not acted with intent or gross negligence. This limitation of liability shall not be applicable in case of a culpable violation of essential contractual obligations (cardinal obligations). If the Vendor is liable for a slightly negligent violation of essential contractual obligations (cardinal obligations), such liability shall be limited to the foreseeable damage. In particular, the Vendor shall not be liable for a loss of profit, a consequential harm caused by a defect and a loss of production.
- 14.2. Notwithstanding this provision the liability for personal injury is based on the respective statutory regulations.

15. Violation of Copyrights / Patents

- 15.1. Unless agreed otherwise in writing between the Parties, the Vendor is the sole proprietor of the copyrights and all the rights of industrial property originally assigned to it. Such rights shall not be transferred with the sale of the Product(s) and shall always remain the exclusive property of the Vendor. Therefore, they may not be reproduced, used, or made available to third parties without the prior written consent of the Vendor. If such rights are infringed, the Buyer must immediately inform the Vendor and shall indemnify the Vendor immediately with no right of recourse. Such obligations shall remain in force even after termination of the contract of sale and/or of the commercial relationship between the Parties.
- 15.2. Buyer shall be required to find out if the documents provided by him do not violate any third-party rights (copyrights, in particular), industrial property rights (designs, patents, utility models, trademarks). If a third party has asserted a claim against the Vendor on grounds of the use, utilisation or copying of the documents provided by Buyer, or on grounds of a violation of the Unfair Competition Act, Buyer shall assist the Vendor in defending himself against such claims. Buyer undertakes to indemnify the Vendor against such claims and refund all lawyer's fees and costs of any proceedings to the Vendor.

16. Data Protection

- 16.1. In accordance with Article 6 (l){a) of Regulation (EU) No. 679/2016 (self-legitimation to the processing of personal data in economic relations), the Parties agree and give their mutual authorisation to the processing of their personal data pursuant to Article 4 (1) of Regulation (EU) No. 679/2016 throughout the entire business relationship or

throughout the execution of the contract for the sale and purchase of the Product(s) as described in these Terms and Conditions.

17. General Provisions

- 17.1. Place of fulfilment regarding payment and delivery shall be 20068 Peschiera Borromeo.
- 17.2. These Terms and Conditions as well as the contractual relations resulting from this contract shall be subject to the laws of the Republic of Italy.
- 17.3. Venue for disputes arising from this contract shall be Milano. In the Vendor's capacity as plaintiff he shall be entitled (but not obligated) to sue in the court having jurisdiction over the Buyer and the subject matter.
- 17.4. Subsidiary agreements, reservations and modifications hereto shall require the Vendor's consent in writing to be legally binding.
- 17.5. If one of the provisions of these Terms and Conditions or a provision included in any other agreement referring to this contract shall be or become invalid, then this shall in no way effect the validity of the remaining provisions. Invalid provisions shall be replaced with provisions coming closest to what was originally intended commercially.
- 17.6. These conditions are to be considered valid and applied up to the issue and sending to the Buyer of a subsequent version.
- 17.7. In addition, they will be considered accepted even without the Buyer's signature thirty days after the date they have been made available to the Buyer.

Peschiera Borromo, 01 February 2021