



General Terms and Conditions of Sale

Parker Hannifin Italy Srl

1. DEFINITIONS

1.1 **“Buyer”** means any company, firm or individual purchasing the Products from Parker.

1.2 **“European Union”** means the Union established by the Treaty on European Union signed at Maastricht on 7 February 1992, as amended by any later treaty, being the member states of the European Union.

1.3 **“Order Confirmation”** means the confirmation of the Order issued by Parker.

1.4 **“Order”** means the order placed by the Buyer for the purchase of the Products, whether or not by way of acceptance of Parker’s quotation.

1.5 **“Parker”** means Parker Hannifin Italy Srl.

1.6 **“Products”** means the products (including any part and accessory thereof) and/or materials sold by Parker in accordance with Parker’s quotation or Order Confirmation.

1.7 **“Services”** means any services to be provided by Parker in accordance with Parker’s quotation or Order Confirmation.

1.8 **“Software”** means any software related to the Products, whether embedded or separately downloaded, provided or made accessible.

1.9 **“Taxes”** means every description of tax, VAT, duty, charge, tariff or levy whether direct or indirect, imposed from time to time by any government or other authority and any related interest, penalty, fine or other amount.

1.10 **“United Kingdom”** means England and Wales, Northern Ireland and Scotland and a reference to the United Kingdom includes a reference to any one of these.

1.11 **“VAT”** means value added tax or any replacement or overseas equivalent of value added tax or similar sales tax.

2. AGREEMENT

2.1 Unless otherwise agreed in writing by the parties, these general terms and conditions of sale (**“General Conditions”**) shall apply to all sales of the Products by Parker to the Buyer, and Parker rejects any other terms and conditions of the Buyer, whether issued before or after the date of these General Conditions and whether issued by paper-based transactions or via facsimile or other forms of electronic data interchange (EDI) or electronic commerce.

2.2 The sale of the Products shall be regulated on an exclusive basis by these General Conditions, by the Order and by the Order Confirmation of Parker, which shall jointly constitute the entire agreement governing the sale of the Products by Parker to the Buyer (**“Agreement”**) and shall prevail over any previous oral or written agreement between the parties having the same subject matter.

3. ORDER AND ORDER CONFIRMATION

3.1 The Order shall be deemed to be an offer by the Buyer to purchase the Products and shall be sent to Parker by telefax or by other appropriate means of written communication.

3.2 Parker’s quotations are given without commitment and no undertakings, obligations or liabilities shall arise therefrom towards Parker. Quotations shall be valid for a period of 30 (thirty) days from the date of issue or (if different) from the period specified therein and shall become ineffective if the Buyer does not accept it within the abovementioned term by sending an Order strictly consistent with the quotation.

3.3 The Agreement between Parker and the Buyer (including where Section 3.2. applies) shall be formed only after the receipt of Parker’s Order Confirmation by the Buyer. The Order Confirmation must be sent by telefax or by other appropriate means of written communication.

4. CANCELLATION AND CHANGES

4.1 Unless expressly accepted in writing by Parker, the Buyer cannot cancel the Orders accepted by Parker. The Buyer shall have the right to cancel an Order within 24 hours from the receipt of Parker’s Order Confirmation only if Parker’s Order Confirmation does not strictly comply with the relevant Order.

4.2 Within 30 (thirty) days from the issue of an Order Confirmation, Parker shall be entitled to cancel that Order in whole or in part and/or to request the Buyer to approve the delivery of products different from those indicated in the relevant Order, if Parker deems it necessary: (i) as a consequence of specific and proven events related to Products’ manufacturing and marketing; (ii) as a consequence of force majeure events; or (iii) as a consequence of any change, event or occurrence arising out of or in connection with the decision of the United Kingdom to withdraw from the European Union, in each case which adversely affects Parker’s position under the terms of the Order Confirmation. Any cancellation of and any change to the Order Confirmations must be notified to the Buyer within the term indicated above by telefax or by other appropriate means of written communication and the changes shall be effective only if accepted in writing by the Buyer, by telefax or by the other appropriate devices or written communication, within 7 (seven) days from Parker’s notice.

5. DELIVERY

5.1 Parker shall use its reasonable endeavours to deliver the Products in accordance with the terms of delivery agreed by the parties. At any rate, the terms of delivery are for reference only and Parker shall not be liable for any damage arising from any delay in delivering the Products for any cause including but not limited to any delay which Parker experiences or which affects Parker arising out of or in connection with the decision of the United Kingdom to withdraw from the European Union. Parker may deliver the Products by way of one or more instalments.

5.2. Unless expressly stated otherwise in the Order Confirmation, the Products shall be delivered on CPT



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Incoterms® 2020. Parker bears the risk of loss or damage until the Products are delivered to the first carrier at Parker's "Ship From" facility. Carriage of Products shall be arranged by Parker to the named place of destination ("Ship To"). The freight costs and other shipping and handling expenses as referenced in Section 6 shall be shown as a separate line item on the invoice or invoiced separately in addition to the price of the Products. Both "Ship From" and "Ship To" locations are referenced on the Order confirmation issued by Parker. Parker will be responsible for clearing the Products for export. To satisfy its obligation to clear the Products for export, Parker will only be required to make the appropriate declaration, to obtain any applicable export authorisation and to pay the relevant fee. Save as set out in this Section 5.2, Parker has no obligation to clear the Products for import, pay any import duty, cost, levy, tax, charge or tariff or carry out any import customs formalities. The Buyer will therefore be responsible for obtaining, at its own risk and cost, any import authorisation or other official authorisation and for carrying out all customs formalities for the import of Products. In the event of international transport of Products, subject to the foregoing provisions of this Section 5.2, it is the Buyer's duty to comply with the necessary conditions, such as furnishing Parker with its national VAT registration number and/or proof of transport.

6. PRICE AND PAYMENT

6.1 Unless otherwise agreed in writing by the parties, the prices of the Products shall be the prices at the time of delivery and subject to Section 5.2, such prices do not include any Taxes which will be payable by the Buyer in addition to the prices. VAT shall be added to the price and shall be paid by the Buyer where applicable. The Buyer's attention is drawn particularly to the fact that the prices quoted by Parker in its offers are given without engagement. In particular, in case of changes in market conditions and/or any other factor beyond Parker's control such as changes in exchange rates, changes in taxes, duties, tariffs and levies energy and labour costs and raw material prices, including but not limited to steel, brass, rubber, copper, magnetics and aluminium, prices may be subject to a price increase or surcharge prior to the delivery of the Products and/or Services. The Buyer shall be notified in writing prior to the change. The Buyer shall pay the price of the Products pursuant to the terms and conditions of the Order Confirmation. The Buyer cannot set-off or withhold the payment of any sum due under these General Conditions, even in case of objections related to the Products or to the Agreement itself.

6.2 The payment terms pursuant to Section 6.2. are of the essence of the Agreement. If the Buyer fails to pay or delays in paying, in whole or in part, any invoice related to an Order: i) interest shall accrue on the outstanding sums pursuant to Section 5 of the Italian Legislative Decree 231/2002, in addition to any further damage and without prejudice to any other remedy available at law or under the Agreement; ii) Parker is entitled to withhold any payment due to the Buyer under this Agreement; iii) if the Buyer fails to pay the outstanding amount within 10 (ten) days from the due date,

Parker is entitled to withhold the delivery of any further Products.

6.3 Parker reserves the right to set-off any amount due to the Buyer against any amount owed by Parker to the Buyer.

7. REJECTION OF PRODUCTS AND WARRANTY

7.1 The Buyer shall notify Parker of any defect concerning the quantity of the Products delivered with regard to quantity agreed in the Order and in the Order Confirmation within 15 (fifteen) days from the delivery date. If the Buyer neglects to serve notice under the above term, the Products delivered shall be deemed fully in compliance with the Order and the Order Confirmation and Parker shall be discharged from any liability and/or default thereunder.

7.2. Parker warrants that, for a period of 12 (twelve) months as from the date of delivery, the Products shall be free from defects in material and workmanship. With regard to Services, Parker warrants for a period of 6 (six) months as from performance of the Services that the Services shall be performed in accordance with generally accepted practices and using the degree of care and skill that is ordinarily exercised and customary in the field to which the Services pertain. Software is only warranted to perform in accordance with applicable specifications provided by Parker to Buyer for 90 (ninety) days from the date of delivery or, when downloaded by or provided or made accessible to a Buyer or end-user, from the date of the initial download or the date on which it is provided or made accessible by Parker. Unless otherwise stated by the Buyer, all software other than firmware integrated into the Products is warranted only to perform for a period of ninety days after delivery or when downloaded by or provided or made accessible to the Buyer substantially in accordance with applicable specifications provided by Parker to Buyer. Parker does not warrant that the software is error-free or fault-free or fault-tolerant, or that Buyer's use thereof will be secure or uninterrupted. Buyer agrees and acknowledges that the software shall not be used in connection with hazardous or high risk activities or environments such as, but not limited to, the operation of nuclear facilities, aerospace systems, air traffic control, life support, or medical applications.

7.3 Any claim related to the defects of the Products pursuant to Section 7.2. hereof shall be notified to Parker by registered letter with return receipt within 15 (fifteen) days from the delivery date in case of apparent defects, and within 15 (fifteen) days from the date of discovery in case of latent defects.

7.4. Should the Products not conform with this warranty, Parker, at its sole discretion, provided that the Buyer returns at its own cost all the defective Products to Parker, shall either repair or replace the defective Products free of charge or reimburse the Buyer the price actually paid for such defective Products. The Products replaced or repaired shall be delivered to the Buyer pursuant to Section 5 above and shall be covered by the same warranty, which shall have a duration equal to the remaining warranty period over the original term of 12 (twelve) months stated in Section 7.2. hereof. If this term



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elapses, Parker shall be discharged from any liability arising out of the replaced or repaired Products.

7.5. This warranty shall not cover any products or components manufactured by third parties, for which the manufacturer will be responsible, and shall not apply if the Products are not properly kept or have been disassembled, modified or repaired by persons not authorized by Parker and in case of defects deriving from inadequate use or use not in accordance with Parker's instruction, negligence, lack of due care by the Buyer, its delegates or third parties and defects related to any consumable parts of the Products subject to wear and tear.

7.6. The Buyer, through its own analysis and testing, is solely responsible for making the final selection of the system and Products and assuring that all performance, endurance, maintenance, safety and warning requirements of the application of the Products are met. The Buyer must analyze all aspects of the application and follow applicable industry standards, specifications and other technical information provided with the Products. If Parker provides Products or system options based upon data or specifications provided by the Buyer, the Buyer is responsible for determining that such data and specifications are suitable and sufficient for all applications and reasonably foreseeable uses of the Products. In the event the Buyer is not the end-user, Buyer will ensure such end-user complies with this Section.

7.7. To the extent allowed by law, this warranty replaces any other warranty and Parker disclaims all other warranties, express and implied, including but not limited to design, merchantability and fitness for purpose. The remedies set out in these General Conditions for violation of warranty are the sole and exclusive remedies available to the Buyer and the sole and exclusive liability of Parker in case of defective Products.

8. LIMITATION OF LIABILITY

8.1 Parker's liability *vis a vis* the Buyer, whether contractual or in tort or for any other reason whatsoever, for any damages, costs, expense or other liabilities, deriving from breach of the Agreement or connected to the sale of the Products shall be limited to the overall price actually paid by the Buyer for the Products from which the said liability arises. In any event, Parker will not be liable *vis a vis* the Buyer for any indirect or consequential losses, such as, but not limited to, loss of profit, loss of contracts and business opportunities.

8.2. Nothing in these General Conditions shall be construed as an exclusion or limitation of Parker's liability in case of gross negligence or wilful conduct or for damages deriving from death or personal injuries were caused by gross negligence or wilful conduct of Parker, its employees, or agents pursuant to Section 1229 Italian Civil Code.

9. TERMINATION

9.1. Without prejudice to any further remedy at law or under the Agreement, Parker shall be entitled to terminate this Agreement with immediate effect, pursuant to Section 1456 Italian Civil Code, by sending the Buyer a registered letter

with return receipt, if:

- 9.1.1. the Buyer is in breach of any provision of this Agreement, and does not remedy such breach within 15 (fifteen) days from the day of the receipt of Parker's notice;
- 9.1.2. the Buyer enters into a voluntary liquidation or files for the opening of or enters into any bankruptcy procedure or a procedure of composition with creditors; or
- 9.1.3. the Buyer terminates or threatens to terminate its activity;

9.2. After the termination of the Agreement under Section 9.1, any invoice unpaid amount by the Buyer shall become immediately due.

10. FORCE MAJEURE

10.1 In the event the fulfilment of a contractual obligation (other than the Buyer's payment obligation) is impeded, restricted or delayed by any change, event or occurrence arising out of or in connection with the decision of the United Kingdom to withdraw from the European Union or any other event beyond the party's control, also effecting Parker's suppliers and/or carriers – such as, but not limited to, governmental acts or omissions, war, revolutions, natural disasters, fire, explosions, strikes, obstructions, epidemic, pandemic or other serious widespread illness(es) public health emergency(ies), lack or delay on source of material or equipment, break of fundamental machinery or equipment - the obligation will remain suspended for as long as the impossibility to comply with it endure. In case, however, such impossibility endures for more than 120 (one hundred and twenty) days, each party shall have the right to terminate the Agreement by means of 30 (thirty) days' prior written notice to the other party. Notwithstanding the aforementioned, the Buyer shall not be entitled to order cancelation following its issuance of a unilateral production stop not initiated by government decision.

11. DRAWINGS

Any drawing annexed to the Agreement indicates in general the style, disposition and approximate dimension of the Products. The Buyer shall not rely on such drawings, unless otherwise agreed in writing between the Buyer and Parker.

12. NON-DISCLOSURE CLAUSE

12.1 The Buyer acknowledges that the drawings, printings, and any other technical material supplied by Parker, either prepared by Parker or third parties contractually bound to Parker, may contain confidential information (such as, but not limited to, trade secrets and confidential know-how) having a commercial value for Parker or for the aforesaid third parties. Any such information shall be deemed confidential if so marked by Parker or, in any event, if, in the circumstances, it should be reasonably considered to be confidential, whilst the information made available to the public by Parker shall not be deemed confidential.



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12.2. The Buyer undertakes (a) to keep any such information confidential, (b) not to disclose any such information to any other person (except to those employees, agents and consultants who should know them) or entity, unless where authorized in writing by Parker, ordered by a court or other competent authority, or obliged under the applicable laws, in which case the Buyer shall inform Parker in advance of the request to disclose the information, (c) not to use any such information other than in connection with the Products or for the purposes of the Agreement and (d) to ensure that the Buyer's employees, agents and consultants are informed about and comply with this provision.

12.3 The Buyer will be liable and will indemnify Parker and/or third parties contractually bound to Parker from and against any damages arising out from the breach of this provision.

13. INTELLECTUALLY PROPERTY RIGHTS

13.1. All patents, trade marks, copyrights, projects, designs, models, know-how, industrial secrets and other technical and commercial information regarding the Products, including any software supplied by Parker, as well as the related registration and all other intellectual property rights in the technical items and materials supplied by Parker, either where created or acquired by the same prior of after the conclusion of the Agreement, are and will remain on the exclusive property of Parker. Parker retains ownership of all software supplied to Buyer hereunder and in no event shall Buyer obtain any greater right in and to the software other than a right in the nature of a license limited to the use thereof and subject to compliance with any other terms provided with the software. The Buyer undertakes to abstain from any act that may violate or jeopardize such rights.

13.2. In the event a Product is, or in the Parker's opinion, may become subject to claims, actions or proceedings for violation of intellectual property rights, Parker may, at its own discretion and expense, (i) obtain for the Buyer the right to use, lease or sell the Product, (ii) replace the Product with another product having the same function, (iii) modify the Product or (iv) remove the Product and reimburse the price paid by the Buyer, previous deduction of a reasonable amount for the Product use, damage or obsolescence. To the extent permitted by law, the remedy offered by Parker will be the sole and exclusive remedy for the Buyer *vis a vis* Parker in connection with any third party's claim, actions and proceedings and in no case will Parker's liability to the Buyer exceed the price paid for the allegedly infringing Product.

13.3 To the extent permitted by law, Parker will have no liability whatsoever *vis a vis* the Buyer, and the aforesaid remedies will not apply, in relation to any violation of third parties' intellectual property rights deriving from (a) any changes made on the Products by the Buyer or its agents/representatives, (b) any assembling of the Products with other products, (c) the use of the Products in the processes carried out by the Buyer or its agents/representatives or (d) the compliance by Parker with the Buyer's instructions, designs, projects and specifications. The Buyer undertakes to defend, indemnify and keep Parker harmless from and against any damage, cost, expense or

liability whatsoever suffered by Parker in connection with any claims, actions or proceedings raised by third parties in connection with any of these hypothesis.

14. COMPLIANCE

Buyer agrees to comply with all applicable laws, regulations, and industry standards and professional standards of care, including, but not limited to, those of the country or countries in which Buyer may operate or in which the Products may be used, including without limitation Italian law 231/2001 on administrative liability of entities and any other applicable anti-corruption laws ("**Anti-corruption Laws**") and U.S., United Kingdom and European Union export control and sanctions laws ("**Export Laws**"). Buyer agrees to indemnify, defend, and hold harmless Parker from the consequences of any violation of such provisions by Buyer, its employees or agents. Buyer acknowledges that it is aware of and familiar with the applicable Anti-corruption Laws and Export Laws, and certifies that Buyer will adhere to the requirements thereof and not take any action that may cause Parker to be in violation of any such law or requirement. In particular, Buyer represents and agrees that Buyer will not make any payment or give anything of value, directly or indirectly, to anyone - including, without limitation, any governmental official, any foreign political party or official thereof, any candidate for foreign political office, or any commercial entity or person - for the purpose of influencing such entity or person to purchase Products or otherwise benefit the business of Parker. Buyer further represents and agrees that it will not receive, use, service, transfer or ship any Product from Parker in a manner or for a purpose that violates Export Laws or causes or may cause Parker to be in violation of Export Laws.

15. DEFAULT, CANCELLATION AND INSOLVENCY

15.1. Parker may, without liability to Buyer, terminate the Contract for any reason and at any time by giving Customer thirty (30) days prior written notice. Parker may immediately terminate the Contract, wholly or partly, in writing if the Buyer: (a) breaches any provision of the Contract, (b) becomes or is deemed insolvent, (c) appoints or has appointed a trustee, receiver or custodian for all or any part of the Buyer's property, (d) files a petition for relief in bankruptcy on its own behalf, or one is filed against the Buyer by a third party, (e) makes an assignment for the benefit of its creditors, (f) or its directors or the holder of a qualifying floating charge gives notice of their intention to appoint, or make an application to the court for the appointment of an administrator, or (g) dissolves its business or liquidates all or a majority of its assets. Parker shall be entitled to recover from the Buyer or the Buyer's representative all costs and damages incurred by Parker as a result of such cancellation, including a reasonable allowance for overheads and profit (including but not limited to loss of prospective profits and overheads).

15.2. Parker may at any time, without liability for compensation, suspend its obligation to supply Goods, Services and/or Software or refuse to supply Goods, Services and/or Software, if Parker reasonably believes, in its sole discretion, that the supply of the Goods, Services and/or



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Software may breach, or cause Parker to be in breach of, any applicable laws, including but not limited to Export Laws.

16. MISCELLANEOUS

16.1. Unless otherwise agreed by the parties, any communication addressed to Parker under this Agreement shall be sent by registered letter with return receipt to the registered office of Parker.

16.2. Parker may assign or transfer, in whole or in part, this Agreement or any right/obligation thereunder to third parties. The Buyer cannot assign or transfer, in whole or in part, this Agreement nor any right/obligation thereunder to third parties.

16.3. Where one of the provisions of these General Conditions (or any part thereof) is found to be invalid or unenforceable, this shall not affect the validity of the remaining provisions of these General Conditions. The invalid or unenforceable provision shall be replaced with a valid and enforceable provision in keeping, to the greatest possible extent, with the meaning of the former provision.

16.4. The failure, delay or partial exercise by Parker of a right deriving from the Agreement shall not be deemed as a waiver of such right.

16.5. No variation, modification or waiver of any of the provision of these General Conditions shall be valid unless it is in writing and signed by each of the parties.

16.6. Each party acknowledges that it does not rely on any statement, representation, assurance or warranty of any person other than as expressly set out therein.

16.7. These General Conditions, any Agreement formed pursuant hereto and any non-contractual obligations arising out of or in connection with these General Conditions and/or any such Agreement shall be governed by the laws of Italy.

16.8. Subject to Section 16.9, any dispute arising out of or in connection with these General Conditions and any Agreement formed pursuant hereto (including in relation to non-contractual obligations) shall be subject to the exclusive jurisdiction of the Court of Milan, to the exclusion of any other court.

16.9. Either party may seek specific performance, interim or final injunctive relief or any other relief of similar nature or effect in any court of competent jurisdiction.

16.10. The Buyer and Parker agree that these General Conditions may be electronically signed and that the electronic signatures appearing on this document are the same as handwritten signatures for the purpose of validity, enforceability and admissibility.

Barry Mackay
Regional General Manager

Parker Hannifin Italy Srl

Date:

The Buyer

Date :

Pursuant to Sections 1341 e 1342 Italian Civil Code, the Buyer expressly and specifically accepts the following Sections: 4.2 (Cancellation and changes) 5.1., 5.3. (Delivery); 6.3. (Price and Payment); 7.1., 7.2., 7.3., 7.4, 7.7. (Rejection of Products and Warranty); 8.1. (Limitation of Liability); 9 (Termination); 10 (Force Majeure); 13.2., 13.3. (Intellectual Property Right); 14. (Compliance); 15 (Default, Cancellation and Insolvency); 16.2, 16.8. (Miscellaneous).

Barry Mackay
Regional General Manager

Parker Hannifin Italy Srl

Date:

The Buyer

Date :