

GENERAL CONDITIONS OF SALE AND WARRANTY rev. 1-2021

All the conditions of sale and warranty set out below shall be taken to have been accepted in full by the Company when it places an order or, at the latest, when the order confirmation is signed, and shall also apply to any further orders placed, until such time that the conditions are revised. The general conditions of sale and warranty listed below cancel and replace all previous versions; with regard solely to the general conditions of sale, any exceptions must be agreed by the parties in writing. The warranty conditions, on the other hand, may not be modified.

PART I – GENERAL CONDITIONS OF SALE

- PRODUCTS:** The construction characteristics, measurements and other features of products in the Pacetti S.r.l. range are described in our catalogues and/or illustrations, websites, leaflets, fliers and elsewhere. The descriptions and data are approximate and provided merely for information purposes. Pacetti S.r.l. reserves the right to make any modifications it deems necessary to satisfy requirements of a technical nature and/or to conform to legislative standards without any obligation to give prior notice.
- ORDERS:** All orders must be confirmed by Pacetti S.r.l., and may not be modified or cancelled without its written consent, and only after any expenses incurred to prepare the order have been reimbursed. The product ordered will not, under any circumstances, go into production before the order confirmation signed by the customer, approving the relevant sales and warranty conditions, has been received. In the case of orders for non- standard products, the construction drawings of the products must first be approved by the customer. Whenever it is agreed that a down payment be made, the order shall be suspended until the agreed amount has been received. Once production is underway, an order may not, for any reason whatsoever, be cancelled and/or modified, unless otherwise agreed in writing by the parties, and only after any expenses incurred to prepare the order have been reimbursed. Orders shall remain valid for a maximum period of 6 (six) months; after this, if the customer has not yet signed the order confirmation, Pacetti S.r.l. reserves the right to revoke the order or, in any event, to treat it as no longer binding, and Pacetti S.r.l. shall not be held liable for any damage due to delay or failure to execute the order in question.
- DELIVERY DATE:** The delivery date is the date envisaged for shipment of the goods. Unless otherwise agreed in writing by the parties, **delivery dates may be delayed by up to a maximum of three months before the customer, having been given prior notice, is entitled to complain of the delay and demand compensation, a refund or otherwise.**
In the event that a product already constructed cannot be delivered for reasons not attributable to Pacetti S.r.l., and it is not collected by the customer, Pacetti S.r.l. reserves the right, having declared the customer in default, to charge it the entire amount of the supply, together with any resulting expenses, or to sell the product, and charge the customer in default a sum representing 30% of the order total, and, in any event, charge it for the storage and legal costs incurred, including out-of-court costs, and any further expenses and/or damage.
- SHIPMENT:** The goods are delivered subject to the conditions indicated in the order confirmation given by Pacetti S.r.l. Pacetti S.r.l. must be notified immediately of any damage caused during transportation, as soon as the goods are received, either by certified e-mail or registered letter with advice of receipt, giving a detailed description of the damage and attaching illustrative photos. The purpose for which such notification must be given is to obtain a reimbursement for the product in question from the carrier. Pacetti S.r.l. shall not, in any way, be held liable.
- PRICES:** The prices indicated in our price list are subject to **variation without prior notice.**
- PAYMENTS:** The payment conditions are agreed between the seller and the customer when the contract is concluded. Payment may not be delayed by the Buyer on the ground of defects in the product that are presumed but have not been verified, nor on account of the fact that an inspection of the product is to be carried out, or due to any disagreement between the parties that may have arisen. Default interest shall be calculated on delayed payments, as of right and without formal notice of default, pursuant to Italian Legislative Decree no. 231/2002, as amended. Default and/or delayed payment shall also entitle Pacetti S.r.l. to immediately suspend all production operations and/or the shipment of any ongoing orders. Pacetti reserves the right to demand compensation for resulting damage and to terminate the product warranty. Complaints shall not entitle the customer to suspend payments.
- RETENTION OF TITLE:** Pacetti S.r.l. retains title, pursuant to art. 1523 of the Italian Civil Code, over the products supplied until such time that the purchase price is settled in full. Pacetti S.r.l. remains the sole, exclusive owner of all the products supplied and it may therefore demand that they be returned immediately in the event of non-payment. Furthermore, pursuant to art. 1524 of the Italian Civil Code, retention of title is enforceable against third parties.
- WAIVER OF RIGHT OF RECOURSE:** The Buyer expressly waives its right of recourse against Pacetti S.r.l.
- CHANGES IN BUYER'S FINANCIAL CONDITIONS:** The performance of the contract may, within the meaning and for the purposes of art. 1461 of the Italian Civil Code, be suspended by Pacetti S.r.l. at any time if the customer's financial or economic conditions change or it becomes insolvent. In the event that the customer goes into liquidation or is declared bankrupt, or that it is made the subject of other creditor proceedings such as, *inter alia*, pre-insolvency composition with creditors, receivership, etc., Pacetti S.r.l. reserves the right to give notice to terminate the contract by certified e-mail or equivalent means.
- INTELLECTUAL PROPERTY:** All design drawings that are handed over to the Company/Buyer company shall remain the full and exclusive property of Pacetti S.r.l., and the company may deal with or dispose of them at its absolute discretion, as the sole and exclusive holder of the intellectual property rights. The Customer /Buyer company is not permitted under any circumstances to disclose data supplied by Pacetti S.r.l. when providing the services assigned to it under the contract or services in any way connected with the activities conducted by Pacetti S.r.l., that may be passed on to the Company/Buyer company during the performance of this agreement. All data, drawings or projects handed over by Pacetti S.r.l. must be treated as strictly confidential, as well as any information relating to the services provided on behalf of the company. The Company/Buyer shall ensure that the material and documentation in its possession are not disclosed and/or disseminated to any subjects, apart from those with whom it has dealings that are strictly connected with or necessary for the performance of this contract, who will also be bound by the confidentiality covenant. These provisions regarding intellectual property and the confidential nature of information in any way connected with this contract shall continue to apply after the expiry or termination thereof.

PART II - GENERAL WARRANTY CONDITIONS: These warranty conditions may not be modified by any other oral or written agreement.

- WARRANTY PERIOD** The standard sales warranty covering Pacetti S.r.l. products is valid from the date of delivery of the goods, for a period that varies according to the model of the product purchased. If the goods are not collected, once a period of one month has elapsed since the date of notification of readiness for shipment, Pacetti S.r.l. shall issue a sales invoice and the initial warranty period will commence on that date.
- COMPLIANCE WITH TERMS AND CONDITIONS** Pacetti S.r.l. warrants its products provided that all the operating conditions described in the installation, use and maintenance manual are met and the technical specifications indicated by Pacetti S.r.l. are complied with. In addition, proper routine and special servicing operations must be carried out, as envisaged and described in the documentation provided and the customer must also comply with these general warranty conditions. The products must be installed and serviced exclusively by skilled, qualified staff, failing which the warrant shall no longer be valid.

13. LENGTH OF WARRANTY PERIOD

Years	Product type
8	Tanks, water heaters, storage tanks in stainless steel AISI 316L
5	Indirect water heaters in GLAZED steel
3	Gasketed plate heat exchangers
2-5	Extendable to 5 years upon request solely in the case of installation in plants for which the tax allowance is envisaged (*) <ul style="list-style-type: none"> Tanks, water heaters, storage tanks in CERAMFLON enamel-coated steel Tanks, water heaters, storage tanks for technical water in untreated or galvanized carbon steel
2	<ul style="list-style-type: none"> Tanks, water heaters, storage tanks in galvanized carbon steel for DHW Dirt separator filters, excluding accessories and spare parts Brazed plate heat exchangers All the remaining products, purchased directly by the final consumer, in accordance with the provisions contained in Italian Legislative Decree no. 24 dated 2 February 2002 – Implementation of Directive 1999/44/EC
1	<ul style="list-style-type: none"> Electric immersion heaters and electrical equipment in general Circulators Cartridges and spare parts for dirt separator filters

(*) See Italian Legislative Decree no. 63/13, as converted to Italian Law no. 90/13 and Italian Presidential Decree no. 917/86, art. 16-bis; Italian Law no. 449/97

14. **EXTENSION OF WARRANTY PERIOD:** The warranty extension service provides for the extension of the standard sales warranty covering the product from 2 to 5 years. The warranty may only be extended if the following documents are submitted: copy of any energy certification or qualification obtained, together with the online delivery receipt, valid to all effects and purposes as proof of transmission of the documents to accompany an application for the tax allowance.
15. **ASSEMBLED PRODUCTS:** In the case of assembled products, that is, made up of individual products, but sold as a whole, (e.g. semi-instantaneous water heaters, separator units for fireplaces, etc.) the warranty differs for each individual component and each is therefore covered by its own warranty.
16. **SCOPE OF WARRANTY:** Pacetti S.r.l. warrants the quality of the materials used and that its products are constructed in a workmanlike manner. The warranty provides for the repair or total replacement of the product, if it is found to be defective or malfunctioning, Pacetti S.r.l.'s prior decision on the matter being final. Following repairs/replacement, the new product supplied shall be covered by a warranty valid for the residual term of that applying to the replaced/repaired product. It is pointed out that the cost of replacing products is borne by the customer. If Pacetti S.r.l. is not responsible for the defect complained of, all the expenses stemming from the inspection of the returned goods and any transportation costs shall be fully charged to the customer.
17. **EXCLUSIONS FROM WARRANTIES:** Expendable materials and parts subject to wear are not covered by the warranty. During the warranty period products which are unfit or malfunctioning will not be replaced or repaired if their condition is the result of problems caused by the following: incorrect or inappropriate design of the plant in which the product is installed; incorrect or inappropriate installation; products were ordered that are not fit for the intended purpose; installation in locations and/or environments whose characteristics are not compatible with the materials with which the products were constructed; lack of care, lack of skill, negligence or wilful misconduct on the part of the designer of the plant and/or the installation/servicing technician of the plant and/or the product, and/or the user; inadequate or improper servicing. The warranty does not cover the cost of demolition work and/or works carried out in order to transfer the product, whether incoming or outgoing, if caused by errors or shortcomings in its design or failure to follow the instructions given by Pacetti S.r.l.. Pacetti S.r.l. shall not therefore be obliged to reimburse related repair or replacement expenses, or to compensate for any direct or consequential damage of any kind and on any ground incurred as a result thereof. Pacetti S.r.l. shall not be held liable for any damage to the products resulting from fire, explosion, uprising or revolt, industrial strike, declared or undeclared war, flood, earthquake, natural disaster and/or other events.
18. **TERMINATION:** The warranty shall terminate: whenever unauthorised modifications are made to the materials; when, repairs are carried out during the warranty period by staff without prior authorisation from Pacetti S.r.l.; when the instructions given in the use and maintenance manual provided have not been followed.
19. **SHIPMENT OF PRODUCTS UNDER WARRANTY:** Products under warranty considered to be defective shall be consigned, following authorisation in writing by Pacetti S.r.l., carriage paid. The product replacements shall be sent carriage forward.
20. **COMPLAINTS:** any complaints must be submitted to Pacetti in writing, accompanied by a full report with photographic evidence of the relevant damage, sent within the time limits envisaged by the law, together with the model and serial number of the products under warranty. Returned goods shall not be accepted without prior written authorisation from Pacetti S.r.l. and, in any event, must be sent to the head office of Pacetti S.r.l. carriage paid.
21. **RETURNING DEFECTIVE OR MALFUNCTIONING PRODUCT:** If products found to have construction defects are replaced, Pacetti S.r.l. may demand that the defective products be returned, over which it shall regain ownership.
22. **DELAYS:** Pacetti S.r.l. shall not be held liable for any damage caused as a result of a delay in the execution of any operations to replace or repair the product covered by warranty.
23. **DAMAGE OR INJURY TO THIRD PARTIES:** The company shall not be held liable for any damage or injury to third parties caused by the product covered by warranty.
24. **PRODUCT TYPES:** according to the product type, the following specifications shall apply:
 - 24.1. **STORAGE TANKS / WATER HEATERS / DIRT SEPARATOR / HYDRONIC KITS: SCOPE OF WARRANTY** The warranty covers only construction defects and is subject to the following conditions:
 - a. the product was not damaged during transportation and/or handling and/or installation
 - b. installation standards have been met in a workmanlike manner. The product must be installed by qualified staff, in keeping with the instructions given and regulations laid down in the technical documents provided, and in compliance with legislative provisions and specific technical standards
 - c. the product has not been tampered with, nor has any repair work been carried out without authorisation from Pacetti S.r.l.
 - d. the temperatures and maximum working pressure readings, that is, peak and not continuous readings, indicated on the identification label affixed to the product, and in the Pacetti S.r.l. technical/commercial documentation, are respected
 - e. the storage tank/water heater has not undergone a pressure drop and/or water hammer
 - f. the electric and/or hydraulic mains supply is not defective and is in good working order

- g. the storage tank/water heater is fitted, when envisaged, with a protective cathodic anode. This accessory is supplied with the water heaters to protect them against galvanic current. The device in question must be checked periodically and replaced immediately when wear exceeds 70% of the original state. Electronic anodes must be checked regularly to ensure that they are in good working order and properly connected
- h. unauthorised fluids or aggressive chemical substances have not been used. In particular, chlorine dioxide or similar substances must not be used in tanks constructed in treated steel
- i. the drinkable feed water requisites conform to Italian Legislative Decree no. 31/01, implementing EU Directive 98/83/EC.
- j. the storage tank/water heater must be earthed
- k. when envisaged, a safety valve conforming to EU Directive 2014/68/EU, implemented by Italian Legislative Decree no. 26/2016, has been installed and is regularly checked
- l. an expansion vessel must be fitted, of a size compatible with the capacity and temperature of the installation, and conforming to EC Directive 2014/68/EU, implemented by Italian Legislative Decree no. 26/2016. The expansion vessel must be fitted in the immediate vicinity of the storage tank and the cold water feed point, and must be checked periodically to ensure that it is in good working order. No shut-off mechanisms must be fitted that could impair the operation of the expansion vessel
- m. the accessories fitted are the originals supplied by Pacetti S.r.l.
- n. the product was stored under ideal conditions and protected against adverse weather before being installed, and, if the product is not fit for external use, also when being installed, the directions given on the packaging must be followed.

24.2. PLATE HEAT EXCHANGERS / HEAT EXCHANGER UNITS: SCOPE OF WARRANTY The warranty covers only construction defects and is subject to the following conditions:

- a. the product was not damaged during transportation and/or handling and/or installation
- b. installation standards have been met in a workmanlike manner. The product must be installed by qualified staff, in keeping with the instructions given and regulations laid down in the technical documents provided, and in compliance with legislative provisions and specific technical standards
- c. the servicing operations specified in the aforementioned manual are carried out
- d. the product has not been tampered with, nor has any repair work been carried out without authorisation from Pacetti S.r.l.
- e. no repair work has been carried out without authorisation from Pacetti S.r.l.
- f. the temperatures and maximum working pressure readings indicated on the identification label affixed to the product, and in the Pacetti S.r.l. technical/commercial documentation, are respected
- g. the fluid used are compatible with the materials with which the exchangers were fabricated
- h. safety mechanisms must be fitted conforming to EU Directive 2014/68/EU, implemented by Italian Legislative Decree no. 26/2016, and must be periodically checked
- i. the accessories fitted are the originals supplied by Pacetti S.r.l.
- j. the product was stored under ideal conditions and protected against adverse weather before being installed, and, if the product is not fit for external use, also when being installed, the directions given on the packaging must be followed
- k. the rubber gaskets have been adequately protected against wear and suitable measures are taken to ensure that they are stored correctly, protected from heat, damp and light.

24.3. ELECTRIC EQUIPMENT: SCOPE OF WARRANTY The warranty covers only construction defects and is subject to the following conditions:

- a. the products must be installed and serviced exclusively by skilled, qualified staff, failing which the warrant shall no longer be valid
- b. the indications given in the use and maintenance manual, supplied with the product, must be followed
- c. electrical components must be adequately protected against damage or malfunctioning, and suitable measures must be taken to ensure that they are correctly stored and/or kept and/or used, protected from heat, damp and light.

PART III – FORCE MAJEURE & EXCESSIVE ONEROUSNESS

Pacetti S.r.l. cannot be held responsible for non-performance of the obligations assumed in the contract, including, but not limited to, late delivery or non-delivery, caused by events beyond its reasonable control, including, but not limited to, late delivery or non-delivery of materials by suppliers.

25. FORCE MAJEURE Pacetti S.r.l. is not responsible for non-performance or delay or non-execution of the contract caused by the following events:

- a. Declared and undeclared war, hostilities, invasion, acts of foreign enemies, extensive military mobilisation
- b. Civil war, terrorism, rebellion and revolution, insurrection, sabotage, piracy, coup d'état
- c. Act of expropriation, seizure of works, requisition, nationalisation
- d. Plague, epidemic, pandemic, natural disaster, or extreme natural event
- e. Explosion, fire, destruction of equipment, prolonged interruption of transport, telecommunications, computer system or energy
- f. General labour unrest such as boycott, strike and lockout, slowdown, occupation of factories and premises, street disturbances
- g. Delay of carriers
- h. Administrative measures of seizure, embargo, laws or regulations of any territorial body or administrative authority (including publicly issued export credit insurance) or any government administration
- i. In addition to all contingencies beyond the control of Pacetti S.r.l.

26. SUPERVENING EXCESSIVE ONEROUSNESS In the event of any increases in production costs (including, by way of example, tax charges, personnel costs, procurement costs for components or materials or currency variations) arising from circumstances beyond the control of Pacetti S.r.l., at any time during the execution of the contract, Pacetti S.r.l. will be entitled to increase the prices of the products charged to the purchaser, in proportion to the increase incurred. If there is an increase in the price of the products after the date of confirmation of the order that Pacetti S.r.l. could not reasonably avoid or overcome, the buyer will be promptly informed. After Pacetti S.r.l. has given written notice, the parties will be able to renegotiate alternative contractual conditions, aimed at alleviating or mitigating the effects of such excessive burden. In the event that the parties are unable to reach agreement on such alternative contractual terms, Pacetti S.r.l. will be entitled to terminate the contract, and to retain or demand part of the purchase price as partial compensation for the expenses incurred by Pacetti S.r.l. in relation to the contract. If there is any delay in the delivery of the products for reasons attributable to the purchaser, and Pacetti S.r.l.'s prices are increased in accordance with this paragraph, before the actual delivery of the products to the purchaser, the latter will be required to pay the increased price.

PART IV – FINAL PROVISIONS

27. JURISDICTION AND ARBITRATION Any dispute involving an amount of up to € 30,000.00 (thirty thousand/00) shall be referred to the exclusive jurisdiction of the Court of Ferrara.

Any dispute for an amount exceeding €. 30,000.00 stemming from the interpretation, performance or termination on any ground of this agreement, or any supplementary provision, amendment or the enforcement thereof, shall be referred to arbitration.

The Arbitration Panel shall be composed of three members, two appointed, one by each party and the third, who shall act as president, appointed jointly by the two members nominated by the parties or, failing this, upon the application of the more diligent party, by the Presiding Judge of the Court of Ferrara, who shall also appoint either of the arbitrators who has not been nominated by a party within the term envisaged in art. 810, par. 1 of the Italian Code of Civil Procedure. The Arbitration Panel shall make its award according to standard procedures and in accordance with the law, without any procedural formality apart from compliance with the unconditional provisions contained in articles 806 *et seq.* of the Italian Code of Civil Procedure dealing with arbitration proceedings. The arbitration proceedings shall be held in Ferrara.

28. **APPLICABLE LAW:** this contract is governed by Italian law.