

GENERAL TERMS AND CONDITIONS FOR SALE OF GOODS

1. Application – Variation

- 1.1 These Allegion general terms and conditions for sale of goods (the 'Terms') apply to and shall govern any and all proposal, quotations, agreements and/or contracts issued or entered into by any Allegion entity ("ALLEGION"), including CISA SpA, and the person, firm or company to or with whom any and all such proposals, quotations, agreements and /or contracts are issued or entered into (the 'Customer') with regard to any and all sales of Allegion products, equipment and/or any and all parts relating thereto (the 'Products'). These terms do not apply to any sales and/or subsequent sales to consumers as defined by article 3, 1., a) of the Italian Consumer Code.
- 1.2 By placing a purchase order with ALLEGION for any Products described in a quotation or other description of Products delivered herewith, Customer acknowledges acceptance of these Terms and waives any applicability of its own terms and conditions.
- 1.3 These Terms shall prevail over any other terms and conditions, in particular those which are referred to in any of the Customer's documents. These Terms also serve as notice of ALLEGION's objection to and rejection of any terms and conditions of purchase or sale included in Customer's purchase order or other writing that are different from or additional to these Terms.

2. Formation of contract

- Any and all purchase orders of Products placed by Customer shall be subject to written acceptance of ALLEGION and shall not take effect or be final and binding as a contract or an agreement unless and until ALLEGION issues a written order acknowledgement to Customer or, if sooner, upon the execution of the purchase order which will be in accordance with these Terms ("Contract").

3. Pricing

- Unless agreed otherwise in written, prices are quoted EXW (Incoterms 2010), inclusive of standard domestic packaging for truck transport and shall be exclusive of any cost of special packaging, insurance, VAT or any other applicable (domestic and/or foreign) tax or duty or any other charges which may be applicable to the export or import of the Products which the Customer will pay in addition to the prices. Unless otherwise stated, quoted prices shall be effective only for the period up to the quote expiration date as specified in the quotation. Prices shall be subject to correction for clerical errors. ALLEGION may at any time increase its prices by giving written notice to the Customer prior to the delivery of Products to reflect any increase in ALLEGION's cost in performing the Contract due to any factor beyond reasonable ALLEGION's control.

4. Payment

- 4.1 The currency shall be specified in the quotation and, unless otherwise agreed by ALLEGION, all payments shall be due within the term stated in the invoice. No payment shall be deemed to have been received until ALLEGION has received cleared funds. The Customer shall make all payments due without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.
- 4.2 ALLEGION reserves the right to collect Products, withhold any deliveries of Products, or suspend performance of any auxiliary services to the Products (if any) under any Contract with the Customer in the event of late or non-payment. ALLEGION may cancel the Contract at any time in the event of non- or late payment.
- 4.3 Where amounts are not duly paid and without prejudice to any other right or remedy, ALLEGION will automatically and without any formal notification be entitled to levy interest at a rate of 1.5 % per month. In the event of default in payment, Customer shall pay all costs included its reasonable attorney's fees in order to enforce payment or collection of past due sums from Customer.

5. Delivery

- 5.1 Unless agreed otherwise in written by parties, Products are delivered EXW ALLEGION factory (Incoterms 2010) with standard domestic packaging for truck transport. Any special packaging agreed upon between the parties will be charged at cost.
- 5.2 Delivery dates are estimates only and ALLEGION shall not be liable for any damages attributable to any delay or failure to deliver. In the event delivery is delayed beyond the acknowledged delivery date for any reason and at any time, ALLEGION shall advise the Customer thereof as soon as practicable. In the context of the deliverance of Products, the date or dates of performance of services auxiliary to those Products, shall be as specified in the Contract or such other date or dates as agreed upon in written by parties.
- 5.3 If ALLEGION is unable to deliver the Products and/or perform auxiliary services to the Products to the Customer for any reason attributable to the Customer, the Products and auxiliary services thereto (if any) will be deemed to have been delivered and/or performed. ALLEGION may invoice and store the Products until actual delivery and the Customer will be liable for all related costs and expenses.

6. Deferral and cancellation

- Except with ALLEGION's prior written agreement, the Customer may not defer delivery or cancel, amend, alter in whole or part, any Contract. Such agreement shall be subject to the Customer indemnifying ALLEGION in full against any loss (including loss of profit), costs, charges and other expenses incurred as a result of the deferral, alteration, amendment or cancellation.

7. Transfer of title and risk

- 7.1 Risk in the Products and all liability to third parties and Customer in respect thereof shall pass to the Customer upon delivery in accordance with Article 5.1 or storage in accordance with Article 5.3 (if earlier).
- 7.2 Ownership of the Products shall not pass to the Customer until ALLEGION has received in full all sums due to it in respect of the Products. While the ownership of the Products remains with ALLEGION, it may, subject to the Customer not having fulfilled its payment obligations, take repossession of the Products.
- 7.3 Until ownership has passed pursuant to Article 7.2, the Customer shall not, unless otherwise agreed in writing, transfer ownership to a third party nor charge or encumber the Products in any way and maintain the Products in satisfactory condition insured on ALLEGION's behalf for their full price at any risks. Furthermore, until ownership has passed pursuant to Article 7.2, the Customer must store the Products (at no cost to ALLEGION) separately from all other products of the Customer or any third party in such a way that they remain readily identifiable as ALLEGION's property.

8. Warranty

- 8.1 Subject to the conditions set forth herein, ALLEGION warrants that the Products, when properly installed, used and maintained, will conform to the description and specifications in the Contract under which they are delivered and will be free from defects of materials and workmanship for a period of one (1) year from the date of delivery to the Customer.
- 8.2 For repaired or replacement Products (or parts) the warranty period shall be the remainder of the warranty period pursuant to Article 8.1.

- 8.3 The warranty will not apply to: (i) Products which are not installed, stored or used correctly in accordance with ALLEGION's instructions or which are damaged by a third party or Customer itself during the installation or commissioning; (ii) normal wear and tear damage such as but not limited to: corrosion and erosion; (iii); misuse, abuse, improper or careless handling; (iv) Products which are modified without ALLEGION's written approval or damaged by any act beyond ALLEGION's control; (v) Products which are not subject of a ALLEGION maintenance agreement or not maintained by qualified engineers in accordance with ALLEGION instructions.
- 8.4 The Customer will inform ALLEGION in writing of any defect or deficiency in the Products within eight (8) days of the time such defect or deficiency becomes apparent, in absence of which the Customer forfeits its rights under the warranty.
- 8.5 In the event of a warranty claim, ALLEGION has the right to inspect the Products. ALLEGION shall have reasonable access to inspect any allegedly non-conforming Products.
- 8.6 If any of such Products do not conform to this warranty, ALLEGION shall at its sole option repair or replace such Products (or parts of it), or if the Products cannot be repaired or replaced for any reason, refund the price of such Products, provided that upon ALLEGION's request Customer returns the Products to ALLEGION at Customer's costs. When Products (or any parts relating thereto such as for example auxiliary services to the Products) are repaired on site, labour costs, as well as travel and residence expenses incurred by ALLEGION are borne by the Customer.
- 8.7 Once complied with this Article 8, ALLEGION shall have no further liability for a breach of warranty in respect of such Products (for sake of clarity this includes as well for, if any, the auxiliary services to the Products).
- 8.8 Except as specifically stated in these Terms ALLEGION makes no representation or warranty, express or implied, in law or in fact, including, without limitation, any implied warranties of merchantability and fitness for any particular purpose. ALLEGION provides no additional warranty and accepts no liability for third party products and/or services which are integrated or included in Products.
- 9. Limitation of liability**
- 9.1 Unless otherwise provided for by mandatory provisions of applicable law, ALLEGION's total liability for any direct damages, if and when established by the competent courts, shall be limited to the price of such Products as paid by Customer. ALLEGION shall in no event, be liable for any indirect damages of any nature whatsoever, such as but not limited to loss of profit, lost savings, revenue or client.
- 9.2 If ALLEGION's liability is excluded pursuant to these Terms, this exclusion shall also pertain to the liability of ALLEGION's organs, representatives and agents, in particular our employees.

10. Force majeure

- ALLEGION reserves the right to defer the delivery date or to cancel the Contract in whole or in part, if it is prevented from or delayed in the carrying on of its business due to circumstances beyond its reasonable control, including (without limitation) acts of God, accidents, compliance with any law, regulation or other government order (whether or not valid), war or national emergency, riots, fire, industrial action, shortages of labour, restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials. If the force majeure event continues for a continuous period in excess of 6 months, either party shall be entitled to terminate the Contract with immediate effect. In no event shall ALLEGION be liable for any incidental or consequential damages or for any expense or damage in connection with such failure or delay in delivery of Products and/or performance of auxiliary services to the Products (if applicable).

11. Intellectual and industrial property rights - confidentiality

- 11.1 Customer acknowledges that it will acquire no intellectual or industrial property rights in any patent, trademark, trade name, software, source code, or any other related right owned, used or developed by ALLEGION prior to or during the execution or performance of the Contract and/or related to any of ALLEGION Products. Customer agrees not to do or permit to be done anything which might in any way adversely affect the validity, value or goodwill of ALLEGION's intellectual or industrial property rights.
- 11.2 All information in whatsoever form provided to Customer in connection with the quotation or with the sale, installation, service or repair of Products shall be kept strictly confidential and shall not be disclosed by Customer. Customer shall retain such information in confidence except to the extent Customer can establish that it previously received such information lawfully from a third party or that such information is generally available in the public domain, without breach of Customer's obligations under the Contract.
- 11.3 Customer shall ensure by way of forming appropriate contractual agreements with its employees, representatives and other agents that the latter are subject to the corresponding confidentiality obligations.
- 11.4 The confidentiality obligation according to article 11.2 shall continue to apply and remain valid after the respective contract elapses.

12. Non assignment

- Customer's rights and obligations hereunder may not be assigned without prior written consent of ALLEGION.

13. Final provisions

- These Terms and any Contract between ALLEGION and Customer regarding the sale of Allegion Products shall be governed by the laws of Italy. The application of the provisions of the Vienna Convention on Sales of Good (CISG) is specifically excluded by the parties. Any disputes arising between the parties shall be submitted to the exclusive jurisdiction of the Court of Bologna. In the event that a provision or part thereof of these Terms would be invalid or unenforceable under law, then such invalid or unenforceable provision shall have no impact on any other terms herein.
- 13.1 Should any individual provision or any part of any provision of the Terms be or become void or unenforceable or if a loophole is determined herein, the validity of the remaining provisions is in no way affected. The parties agree to replace the void and/or unenforceable provision with an effective or enforceable provision coming as close as possible to the sense, spirit and purpose of the void and/or unenforceable provision. In case of a loophole, such provision is deemed as agreed upon that comes as close as possible to the sense, spirit and purpose of the Terms as desired or would have been desired, if the contracting parties had considered the matter in the beginning.