

CINELLO: GENERAL TERMS AND CONDITIONS OF SALE AND PURCHASE

1. DEFINITIONS

1.1 The following terms shall have the meaning ascribed below:

"Cinello": Cinello s.r.l., with registered office at Firenze, Via dei Calaziuoli n. 7 Nero, tax code, VAT number and registration number in the Company Register of Firenze 01701950337.

"Cinello IP Rights" has the meaning set out in Article 8.2 of these General Terms and Conditions.

"Confirmatory Email": the email sent by Cinello to the Purchaser following the payment of the DAW®, containing the data and details of the DAW® and confirming the purchase of the same by the Purchaser.

"DAW®" has the meaning set out in Article 2.1 of these General Terms and Conditions.

"Digital Art Work" has the meaning set out in Article 2.1 of this General Terms and Conditions of Sale and Purchase.

"General Terms and Conditions": these General Terms and Conditions of Sale and Purchase.

"Global Maintenance Fee" has the meaning set out in Article 0 of this General Terms and Conditions of Sale and Purchase.

"MyGal": identifies the electronic device containing the Software, which is delivered to the Purchaser of the DAW®.

"Party" means each of Cinello and the Purchaser.

"Parties": means both Cinello and the Purchaser.

"Patent": means the patent for industrial invention owned by Cinello regarding an electronic system and the way to manage digital content relating to works of art capable of preventing their uncontrolled spread.

"Price": means the price of the DAW®, including the frame, the Support and the license for the use of the Software and the MyGal, as specified in the Confirmatory Email.

"Product": means the product sold to the Purchaser, which includes the DAW®, the frame and the Support and the license for the use of the Software and the MyGal

"Purchaser" means the purchaser of the DAW® as specified in the Confirmatory Email.

"Sale and Purchase Agreement": means these General Terms and Conditions and the Confirmatory Email together.

"Site" has the meaning set out in Article 4.1 of this General Terms and Conditions of Sale and Purchase.

"Software": means the software owned by Cinello associated with the display of the DAW®, included in the MyGal.

"Support" means the monitor or other hardware or non-hardware support purchased by the Purchaser together with the DAW®, as specified in Confirmatory Email.

"Trademarks" means the trademarks owned by Cinello identified in Article 8.1 of these General Terms and Conditions.

"Transfer Fee" has the meaning set out in Article 5.4 of this General Terms and Conditions of Sale and Purchase.

2. RECITALS AND OBJECT

2.1 Cinello is a company incorporated under Italian law that aims at promoting and enhancing the national and international artistic heritage through the creation and marketing of high-definition digital copies of works of art, authenticated, numbered and produced in limited edition, not reproducible and technologically protected by the Patent (the "**DAW®**" or "**Digital Art Work**").

2.2 These General Terms and Conditions govern the relationship regarding the sale and purchase of the DAW® between the Parties on the basis of the data and details contained in the Confirmatory Email, pursuant to which Cinello sells to the Purchaser, who purchases, the DAW® as specified in the Confirmatory Email, against payment by the Purchaser of the Price.

3. TRANSFER OF OWNERSHIP

3.1 The transfer of ownership of the DAW® and the Support from Cinello to the Purchaser shall always and exclusively take place upon full payment of the Price. Until the full receipt of the Price, the Product subject to the sale/purchase will remain property of Cinello.

3.2 In the event the Purchaser fails to pay in full the Price, Cinello shall retain the right of ownership also vis-à-vis third parties who are in possession, even temporarily, of the Product subject to the sale/purchase.

4. USE OF THE DAW® AND THE SOFTWARE

4.1 Each DAW® can exclusively be reproduced by the use of the MyGal device, which is delivered to the Purchaser together with the

DAW®, in the case the Software is not already incorporated in the Support. When connecting the MyGal device to the Support for the first time, Cinello will require the Purchaser to register and activate Purchaser's account on the reserved area of the website www.cinello.com (the "Site") or through the designated Cinello App, specifying the code of the purchased Support.

- 4.2 It will not be possible to display the DAW® on any support other than the Support activated by the Purchaser. It will not be possible to display the DAW® in the absence of connection to the MyGal device. Each DAW® can only be displayed on the Support activated by the Purchaser and authorized by Cinello.
- 4.3 The Software related to the DAW®, if not incorporated in the MyGal provided by Cinello along with the purchase of the DAW®, must be downloaded by the Purchaser from the Site, through access via its reserved account.
- 4.4 The Purchaser is granted with an individual, non-exclusive, and non-transferable license to use the Software for personal and non-commercial purposes, in association with the MyGal only. The license to use the Software does not entitle the Purchaser with any right to, and the Purchaser shall not have the right and is expressly prohibited to: copy, alter, modify, remove, disassemble, separate, duplicate, extrapolate the source code, underlying algorithms, or technology of the Software; rent, lease, sell, assign, or transfer any rights to the Software; modify, make any derivative works or permit any authorized use of the Software. The Purchaser acknowledges and agrees that Cinello is the exclusive owner throughout the world of the Software, including subparts, additions, extensions, versions, updates and copies thereof. Any and all rights in relation to the Software, except as set forth herein, are expressly reserved to Cinello. Cinello also reserves the right to modify the Software at its sole discretion at any time.

5. SOFTWARE UPDATE AND PRE-EMPTION

- 5.1 The Purchaser acknowledges and recognizes that each DAW® is a unique product, authenticated, numbered in a limited edition, not reproducible and technologically protected by the Patent.
- 5.2 The Software assures the aforementioned qualities over time by means of constant

electronic interaction between the Support and the MyGal device. Upon purchase of the DAW® by the Purchaser, Cinello will release and deliver to Purchaser a continuous update of the Software related to the DAW®.

The Purchaser acknowledges, accepts and agrees that Cinello will provide on a free basis to the Purchaser for 1 (one) year following the purchasing of the DAW®, the Software updates, the updating of the digital content of the DAW® (i.e. the image quality of the DAW®) and the MyGal replacement in case of malfunctions. Any extension of the above warranties following such 1 (one) year term, is subject to the payment to Cinello of an annual fee equal to 2% of the Price (excluding the cost for the Support, if purchased) (the "**Global Maintenance Fee**"). Upon the payment of the Global Maintenance Fee, the Purchaser will have the right to a better image quality version of the DAW®, from time-to-time when and if such version becomes available. If the Client did not subscribe for the extension of the DAW® digital content, any request of related services shall be addressed to customer-support@cinello.com in order to receive the cost estimate for the related intervention or support request.

- 5.3 If before the expiry of the term of 3 (three) years from the date of sale/purchase, as indicated in the Confirmatory Email, the Purchaser intends to transfer the ownership of the DAW® to any third parties, the Purchaser acknowledges, accepts and agrees that Cinello will have a pre-emptive right to purchase the DAW®, to be exercised at the same price offered by the third party in accordance with the following procedures:
 - a. the Purchaser shall give Cinello at least 15 (fifteen) days' written notice of its intention to sell the DAW® to a third party specifying (i) the identity of the third party, (ii) the price offered by the third party and (iii) the date of the possible transfer of ownership of the DAW®;
 - b. the pre-emptive right referred to in this Article shall be exercised by Cinello within the following 15 (fifteen) days, by means of a written notice to the Purchaser in which Cinello declares its intention to exercise the pre-emptive right over the proposed sale of the DAW®, at the price indicated in the notice sent by the Purchaser;
 - c. in case of exercise of the pre-emption right, the transfer of ownership of the DAW® to Cinello and the payment of the price must

- take place within 15 (fifteen) days after the expiration of the term referred to in paragraph b) above;
- d. if, on the contrary, Cinello has not promptly communicated to the Purchaser its intention to exercise the pre-emption right, the Purchaser shall be free to complete the transfer of ownership of the DAW® in favor of the bidder indicated in the communication sent to Cinello within 15 (fifteen) days after the expiration of the term indicated in paragraph b) above, under the same conditions as those indicated in the offer received by Cinello. If the transfer is not completed within such period, the above procedure will apply again for the Purchaser who intends to transfer the ownership of the DAW®.
- 5.4 The Purchaser acknowledges and accepts that any transfer of ownership of the DAW® by the Purchaser subsequent to the purchase from Cinello is subject to the activation by Cinello of the new support by the new owner and that such activity by Cinello will be remunerated by means of the payment to Cinello of a sum equal to 4% of the amount received by the Purchaser for the transfer of ownership of the DAW® ("**Transfer Fee**").
- 5.5 The Purchaser acknowledges and agrees that failure to comply with the procedure set forth in Articles 5.4 and 5.5 above will entitle Cinello to cease any and all updating of the Software and will automatically result in the termination of any and all warranties released by Cinello.
- 5.6 If Support is autonomously replaced by the Purchaser during the warranty period of the Software update, the Purchaser undertakes to contact Cinello in advance to allow Cinello to update, if possible considering the quality and features of new support, the interaction between Support and MyGal, in order to ensure over time the authenticity and uniqueness of the DAW® purchased.
- 5.7 The Purchaser acknowledges and accepts that, in the event of replacement of the Support without the prior intervention of Cinello in accordance with the provisions set forth above, any and all warranty released by Cinello regarding the authenticity and non-reproducibility of the DAW® purchased will automatically cease.
- 5.8 Any claim or enquiry for Product support shall be addressed to:
customer-support@cinello.com
- 6. PROHIBITION OF REPRODUCTION OF THE DAW®**

- 6.1 The Purchaser shall not modify, reproduce, publish, distribute, make copies of, or display the DAW® through devices other than the Support. The DAW® must be displayed for personal and private use only.
- 6.2 The Purchaser may not use the DAW® in a manner that violates any applicable laws or rights of third parties.
- 6.3 The Purchaser undertakes not to violate, damage, alter, modify or circumvent the safety devices provided by Cinello to protect the DAW® (including MyGal and the Software) from any unlawful use. The Purchaser bears all liability and undertakes to indemnify Cinello for any consequence, claim or damage, including damages not foreseeable at the time of the implementation of the relevant conduct by the Purchaser, which arise from, are related to or connected with the breach by the Purchaser of the security measures provided for above or with the use not in accordance with these General Terms and Conditions.

7. CINELLO WARRANTIES

- 7.1 Cinello warrants that the ownership of the DAW® is lawfully transferred by means of a valid title, under the terms and conditions of the Conditions of Sale and Purchase, having obtained all necessary rights and permissions from any interested third party.
- 7.2 Cinello also warrants that each DAW® has been created in the limited number of copies specified in the Confirmatory Email.
- 7.3 No express or implied warranties are released by Cinello other than the warranties expressly provided herein. Implied warranties regarding merchantability and fitness for purpose are expressly excluded. The warranties provided for above constitute entire liability of Cinello with respect to the DAW® and the Product in general. In no event shall Cinello be liable for personal injury or any damages, including incidental, special, indirect or consequential damages whatsoever, and including, without limitation, damages for loss or profits or loss of revenues, installation costs, corruption or loss of data, failure to transmit or receive any data, business interruption or any other commercial damages. costs or losses, arising out of or related to the use or inability to use the DAW®, the Software or the Product in general however caused, regardless in contract or in tort. In no event shall Cinello's total liability towards the Purchaser for all damages exceed the

amount of the Price received by Cinello for the sale of the DAW®.

- 7.4 The Support and the frame as well as any other third-party devices related to the DAW® are covered by the legal warranty of (2) two years of the seller, as provided by the applicable EU Directive and the Italian Consumer Code. The Purchaser will have the right, among other, to obtain from the seller free repair or replacement of products that present a lack of conformity in the (2) years following the date of delivery of the Product. The defect must be reported within 2 (two) months of discovery.
- 7.5 The authenticity of the DAW® is guaranteed by Cinello, who will deliver a certificate of authenticity to the Purchaser.

8. INTELLECTUAL PROPERTY

- 8.1 Cinello is the exclusive owner of the trademarks "Cinello", "MyGal", "Wawe" and "DAW®" (hereinafter collectively referred to as the "**Trademarks**"). No use of the Trademarks is permitted in the absence of the written permission by Cinello.
- 8.2 Cinello is the exclusive owner of all intellectual and industrial property rights relating to the DAW®, the Trademarks, the Site, the Software, the Patent, intellectual property and materials of any kind contained therein, including, by way of example and not limited to, texts, drawings, trademarks and other distinctive signs, including unregistered ones, know-how, domain names, copyrights, databases, software, images, videos, music, information and data (hereinafter, collectively, the "**Cinello IP Rights**"). Cinello does not grant any license to the Purchaser in relation to Cinello IP Rights, except as set forth herein. The Purchaser registered on the Site is not allowed, among other things, to copy, download, reproduce, translate, modify, distribute, disclose, communicate to the public, use in any way or form, in whole or in part, the Cinello IP Rights, outside and for other purposes of the activities strictly necessary for the use and functioning of the purchased DAW®.
- 8.3 In relation to the Site, the Purchaser is not allowed to frame the pages of the Site or to use meta tags or other so-called "hidden texts" that use the Trademarks or the Cinello IP Rights.

9. PERSONAL DATA

- 9.1 Personal data collected at the time of registration of the Purchaser on the Site or at the time of completion of the sale/purchase of the DAW® will be kept and processed as described in the information on the processing of personal data provided for in the Site.

10. MISCELLANEOUS

10.1 Communications

All notices and communications between the Parties, provided for or required by these General Terms and Conditions or otherwise necessary in relation to them, must be made in writing and communicated by delivery in person, by email with confirmation of receipt, to the addresses indicated in the Confirmatory Email. All communications will be considered as received by the recipient on the date resulting from the confirmation of the receipt.

10.2 Amendments

Any waiver or amendment to these General Terms and Conditions and/or Confirmatory Email shall only be valid and effective if resulting by a written document duly signed by the Parties.

10.3 Other agreements

The Parties agree that the provisions contained in these General Terms and Conditions and in the Confirmatory Email constitute the complete and exhaustive manifestation of the will of the Parties and, as such, supersede any other agreement of any kind that the Parties may have previously entered into.

10.4 Severability

Should any of the provisions contained in these General Terms and Conditions or in the Confirmatory Email be or become null and void, invalid or ineffective, the Parties shall replace such null and void, invalid and/or ineffective provision(s) with new provisions that have, as far as possible, the same purpose as the null and void, invalid or ineffective provisions. The validity of the other provisions shall not be affected in any way.

10.5 Headings

The headings of the single articles and paragraphs and the titles of the annexes have been inserted exclusively for ease of reference and shall not be taken into consideration for the purpose of interpreting these General Terms and Conditions.

10.6 Tolerance

If either Party tolerates the conduct of the other Party despite such conduct violating

the provisions of this Sale and Purchase Agreement, this shall not constitute a waiver of the rights arising from the provisions violated nor of the right to subsequently demand strict performance of all the terms and conditions contained in the Sale and Purchase Agreement.

11. GOVERNING LAW AND ARBITRATION

11.1 The Sale and Purchase Agreement and the rights and obligations of the Parties arising therefrom shall be interpreted and governed by Italian law.

11.2 All disputes relating to the interpretation, execution or termination of this Sale and Purchase Agreement and in any case arising therefrom shall be referred to, settled and finally resolved exclusively under the Rules of Arbitration of the National and International Arbitration Chamber of Milan (the "Chamber") by an Arbitration Panel consisting of three Arbitrators (the "Arbitration Panel"). The arbitration under this Agreement shall be conducted in English and the Arbitration Panel shall consist of 3 arbitrators who shall be designated by each party; the third, acting as Chairman, shall be designated by the two designated arbitrators or, in their absence, by the Arbitration Council of the Chamber. The Arbitration Panel shall operate in accordance with the arbitration rules of the Chamber, shall apply Italian substantive law and shall render their award based on law and not equity ("*secondo diritto*"). The venue of the arbitration shall be Milan, Italy.

11.3 Without prejudice to the Section above, any legal proceeding relating to this Sale and Purchase Agreement shall fall under the exclusive jurisdiction of the Court of Milan (Italy).