

GENERAL CONDITIONS OF SALE

1. CONTRACTUAL PROVISIONS

- 1.1. These General Conditions, excepting possible derogations specifically agreed in writing, shall regulate all present and future sales agreements between the parties. Any possible general conditions of the Buyer shall not have force unless they are expressly accepted in writing; nonetheless in this case, excepting written derogation, they may not exclude the effectiveness of these General Conditions, with which they should be co-ordinated. The term "Products" indicates the goods which are subject to each specific purchase and sale agreement regulated by these General Conditions (hereinafter "the Contract").
- 1.2. All commercial terms (ex works, FOB, CIF, etc.) are intended with reference to the Incoterms of the International Chamber of Commerce, updated at the time of entering into the Contract.
- 1.3. In case of international sale, all purchase and sale agreements, as well as the General Conditions, are governed by the United Nations Convention on Contracts for the International Sale of Goods, signed in Vienna 11th April 1980, and by Italian Law for those aspects which are not regulated by the aforesaid convention.
- 1.4. The acceptance of a contract by the Buyer, however given, shall imply the latter's assent to these General Conditions. In the event the Seller issues a confirmation of order or a confirmation of sale, even after the contract has been entered into, possible clauses in the confirmation of order or sale which are additional to or which modify the Contract shall be applied, providing that the Buyer does not promptly object in writing.
- 1.5. Without prejudice to the terms of article 1.4 above, any changes to the terms and conditions of the Contract shall be agreed in writing.

2. CHARACTERISTICS OF THE PRODUCTS - TOLERANCES

- 2.1. Any possible information or data relating to the technical characteristics and/or specifications of the Products and their use, such as weight, dimensions etc. and other data contained in catalogues, prospectuses, circulars, advertisements, illustrations and price-lists, or in other illustrative material of the Seller, shall be binding only in so far as they are expressly mentioned in the offer or in the written acceptance of the Seller.
- 2.2. Any possible qualitative differences within the normal margins of tolerance accepted by the industrial sector and/or normally accepted in the business relations between the parties shall be considered as compliant with the Contract. As concerns quantities, unless otherwise agreed, a tolerance of 10% more or less with respect to the quantity ordered shall be accepted. For Products invoiced by weight, a tolerance of 3% (three per thousand) more or less with respect to the weight shipped shall be accepted. Possible differences within the above mentioned limits shall not therefore be reason of claim nor modify the total amount of the invoiced price. Differences exceeding the above mentioned tolerance limit shall be recognized only if they have been evidenced by a public weighhouse.
- 2.3. The Seller warrants that the Products and the tolerances comply with the regulations EN 10305/3/5. The Seller does not in any way warrant the characteristics or specifications of articles manufactured from the Products, unless specifically agreed in writing.
- 2.4. The Seller shall supply all Products in standard packaging. Special packaging shall be provided only on express request by the Buyer on placement of the order, and shall be invoiced at cost price.

3. TERMS OF DELIVERY

- 3.1. All delivery terms possibly agreed between the parties are approximate only and in no way binding for the Seller. Nonetheless, should the Seller foresee not to be able to deliver the Products by the agreed delivery date, written notice shall promptly be given to the Buyer, with indication, when possible, of the new delivery date foreseen. It is understood that in the event of a delay imputable to the Seller and which is greater than 90 days, the Buyer may terminate the Contract in relation to the Products delayed, giving 20 days written notice (also by facsimile) to the Seller.
- 3.2. The Seller shall not be liable for delays due to force majeure (as defined in art. 8) nor for acts or omissions on the part of the Buyer (e.g. failure to communicate or delayed communication of the necessary data for the dispatching of the order, non-payment, including the non-payment of a previous order, etc.).
- 3.3. Any compensation for damages is expressly excluded for the failed or delayed delivery of the Products.
- 3.4. The Buyer shall be liable to the Seller for damages deriving from cancellation of an order by the Buyer. In the case of cancellation, the Buyer shall pay the Seller the agreed price on the agreed date. From this amount, the Seller shall deduct the damages suffered and withhold the balance as a down payment on the Buyer's future orders.

4. SHIPPING AND DELIVERY - RESERVATION OF TITLE

- 4.1. Unless otherwise agreed, the delivery of Products is intended ex works, regardless of any arrangements for shipment or partial shipment by the Seller.
- 4.2. All risks of loss shall pass to the Buyer on delivery of the Products to the first freight forwarder at the factory of the Seller.
- 4.3. Any complaints relating to the state of the packaging, quantities or the outward characteristic of the Products (apparent defects) must be submitted to the Seller, under penalty of forfeiture, by an express protest written on the transport documents on receipt of the consignment of the Products; such transport documents with the written protest shall have to be forwarded to the seller by fax within 24 (twentyfour) hours. Complaints relating to defects which are not discoverable by reasonable examination on receipt of the Products (hidden defects) must be submitted to the Seller by registered letter with return receipt, on penalty of forfeiture, within 8 days of the discovery of the fault, and in any case, within ninety days of receipt of consignment. The complaint must precisely specify the defect detected and the Products on which the defect was found.
- 4.4. It is understood that any complaints or objections shall not entitle the Buyer to return the Products without the prior approval of the Seller, nor to suspend or in any way delay the payment of the Products in question or of other supplies.
- 4.5. The Seller shall retain title of the Products until the full payment of the price. In case of international sale, reservation of title is extended to Products incorporated into items manufactured using the Products and at the price obtained through the reselling of such items, within the limits granted by the laws of the country of the Buyer which regulate this clause.

5. PRICES

- 5.1. The price of the Products shall be the Seller's price valid at the time of the despatch of the Products. Unless otherwise agreed, all prices are intended ex works with standard packaging included. Unless otherwise agreed in writing, prices shall not include special packaging possibly requested by the Buyer, insurance, or freight, nor any other accessory service or cost.
- 5.2. All prices are intended net of VAT, taxes and levies, and any fiscal or other kind of duty or burden which the contract may be subject to.

6. CONDITIONS OF PAYMENT

- 6.1. The payment shall be made according to the terms, and in the currency, agreed. In the case of late payment with respect to the date fixed, the Buyer shall be obliged to pay the Seller, without formal placing in default, accrued interest on default equal to the 3 months Euribor rate, plus five percentage points, calculated from the day on which payment was due. Late payment exceeding 15 days shall entitle the Seller to terminate the Contract, with the reserved right to demand the return of the Products supplied at the expense and charge of the Buyer, without prejudice to any claim for damages.
- 6.2. The Buyer shall not be entitled to make allowances from the agreed price without prior written agreement with the Seller.
- 6.3. Should the Seller have reason to believe that the Buyer will not be able, or does not intend, to pay for the Products by the agreed payment date, the Seller may subject consignment of the Products to the condition of an adequate payment guarantee bond (e.g. bank suretyship or guarantee). Furthermore, in the case of late payment, the Seller may unilaterally modify the terms of payment of any other supplies and/or suspend their fulfilment until adequate payment guarantees are secured.

7. WARRANTY ON DEFECTS

- 7.1. The Seller shall remedy any defect or non conformity of the Products imputable to him and which is occurred within 90 days of consignment of the Products, provided that notification is promptly given of the defect in accordance with art. 4.3 above, and shall provide for the replacement of the non-conforming Products or for the elimination of the defect, in accordance with the provisions set forth below. In the event that non-conforming Products are detected, the Buyer shall isolate the suspect items and immediately cease their use, inviting the Seller to verify the claimed defects, under penalty of forfeiture of the right to claim the defect. Should the defects and their imputability to the Seller be confirmed, the Seller shall provide for the replacement of the non-conforming Products or for the elimination of the defect, in the shortest time possible. The Seller disclaims liability for Products which are not stored in fit places and conditions, or which are not in their original packaging. All freight costs for the Products to be replaced and for the Products replaced shall be borne by the Seller.
- 7.2. The Seller warrants the conformity of the Products to particular technical specifications or characteristics or their fitness for particular purposes only in so far as such characteristics are expressly agreed in the Contract or in documents referred to by the Contract to this purpose.
- 7.3. In the case of defects or non conformity of the Products, the Seller shall be liable solely for the supplying of Products in replacement of the non-conforming Products or for the elimination of the defect. It is understood that the above warranty (consisting in the replacement of Products or elimination of the defect) absorbs and substitutes the guarantees and liabilities provided for by law, and excludes any other liability of the Seller (whether in contract or in tort) relating to the Products supplied (for e.g. compensation of damages, loss of profit, etc.).

8. FORCE MAJEURE

- 8.1. Each party shall be entitled to suspend the performance of its contractual obligations in the event that such performance is rendered impossible or unreasonably onerous due to impediments beyond reasonable control, for example: strikes, boycotts, lockouts, fire, earthquake, flood, war (whether declared or not), civil war, riots or revolution, requisitions, embargoes, power failures, and delays in consignment of components or raw materials. Circumstances of the kind listed above and which occur prior to the entering into the Contract shall confer the right to the aforesaid suspension only if the consequences on the performance of the Contract were not foreseeable at the time it was entered into.
- 8.2. Should a party wish to avail itself of the present clause, it shall immediately give written notification to the other party of the occurrence and cessation of the circumstance of force majeure.
- 8.3. Should the suspension relating to the provisions of point 8.1 above exceed 120 days, each party shall be entitled to terminate the Contract, subject to 30 days written notice to the other party.

9. DISPUTES

In case of Buyer having its seat outside EC countries, all disputes arising out of or in connection with the present General Conditions or the future sales agreement between the parties, whether in contract or in tort, shall be definitively settled by arbitration in conformity with the Rules of the Piedmont Arbitral Chamber. In any other case, with regard to the above mentioned disputes, the Court of Turin (Italy) shall have exclusive jurisdiction.