

GENERAL CONDITIONS OF SALE

1) Scope

A) These General Conditions of Sale (hereinafter the "Conditions") govern all the sale agreements for products and services (hereinafter the "Products") stipulated between SACE SRL A SOCIO UNICO, a company established and organised under the Laws of Italy, with registered office in Borgonuovo di Sasso Marconi (BO), Via Cartiera 154, (hereinafter "SACE") and the Purchasers (hereinafter the "Purchasers" or individually the "Purchaser"), subject to any other written agreements between the parties.

B) Any amendment or change to these Conditions shall not be applicable and valid for the Parties unless priorly approved in writing by SACE. SACE reserves the right to modify the content of these Conditions at any time and without prior notice.

C) In the event of discrepancies between these Conditions and any other special conditions expressly agreed in writing between SACE and the Purchaser, the latter special conditions shall prevail.

D) The Purchaser acknowledges and agrees that any contractual terms and/or general conditions prepared by the Purchaser shall not be applied in the contractual and commercial relations between SACE and the Purchaser, even in the event that such terms and conditions are mentioned and/or referred to in any document or communication exchanged between the parties.

2) Contract formation

A) No purchase order for the Products sent by the Purchaser shall be binding on SACE unless accepted by the latter in writing.

B) The Supply agreement shall be completed and come into effect as of the moment when SACE sends its written Order Confirmation.

C) Any change to the Supply agreement that may become necessary by mutual

agreement of the parties, shall require issuing a new Order Confirmation by SACE, which shall be signed by the Purchaser for acceptance.

D) If the conditions required and provided in the Purchaser's order differ from those indicated in SACE's Order Confirmation, the latter shall be considered the new contractual version and the agreement shall be deemed accepted with the new conditions if the Purchaser does not express any objections within 5 (five) calendar days as of receiving the Order Confirmation.

E) The offers, if any, issued by SACE shall be valid only for the time period indicated and exclusively for the entire supply mentioned therein.

3) Technical data, drawings, documents connected with the supply

A) The data and illustrations provided in the catalogues, brochures, circular letters or other descriptive documents are purely indicative. Such data are not binding for SACE unless expressly mentioned as such in the Order Confirmation.

B) The Purchaser expressly agrees and undertakes not to use - for any purpose other than those envisaged in the supply agreement - the drawings, layouts, technical information and findings related to the supply, that shall remain the property of SACE and that the Purchaser may not deliver to third parties nor reproduce without SACE's prior written consent.

C) SACE may modify the Products at any time, as deemed necessary and appropriate, notifying the Purchaser of any such changes.

4) Exclusion clause

A) Unless otherwise agreed in writing between the Parties, the supply shall not include the system design, the installation of the equipment supplied, specific tests, training courses and manuals, assistance during start-up as well as all the services, costs and products not mentioned in SACE's Order Confirmation.

B) Packaging costs, taxes, duty stamps, customs' charges and duties as well as any other additional cost are not included in the prices unless otherwise specified in SACE's Order Confirmation.

5) Prices and conditions of payment

A) The prices shall be those mentioned in SACE's Order Confirmation and in the offer, if still valid.

B) Unless otherwise agreed in writing between the Parties, all the prices are ex SACE's warehouse (EXW INCOTERMS).

C) Unless otherwise agreed, payments shall be made by the Purchaser within the deadlines envisaged and with the methods mentioned in SACE's Order Confirmation.

D) In the event of delayed payments, the Purchaser shall be bound to pay interests on arrears. These shall be calculated and rightfully applied without issuing a formal notice of default as provided for by Legislative Decree No. 231/2002 (enforcing Directive 2000/35/CE on combating late payments in commercial transactions) and shall be in addition to all banking expenses incurred. SACE shall always have the faculty to claim further and greater damages suffered and to terminate the agreement pursuant to Article 10 A) below.

E) The Purchaser shall be bound to pay the amounts due for the purchase made on the deadlines agreed. Before making any such payment, the Purchaser may not file, not even as an exception, any suits against SACE.

F) SACE shall handle orders and issue their Order Confirmation only if the value of the order commissioned exceeds the minimum amount required for order management, i.e. € 155.00 net.

G) SACE reserves the right, notifying the Purchaser one month before delivery, to change the price of the Products as a consequence of any increase in costs due to any reason outside SACE's control, there including, by way of example and not

limited thereto: fluctuations in foreign exchange rates, currency regulations, change in customs' duties, major increases in the costs of materials, raw materials or labour or any other change in the suppliers' delivery terms.

6) Delivery terms

A) Unless otherwise agreed between the Parties, the delivery times shall be calculated as of the date of Order Confirmation, unless the Purchaser has to pay part of the price by way of advanced payment; in this case, the delivery term shall be calculated as of the date on which such payment was made.

B) The delivery terms shall be automatically and rightfully extended in the following cases:

1) if the Purchaser fails to provide the data or materials required for the supply, or if the Purchaser requests changes when the work is already in progress, or in the case of delayed responses to the requests for approval of the drawings or execution layouts;

2) if events that do not depend on SACE's goodwill and diligence, there including delays of sub-contractors, prevent any deliveries on the deadlines established or make such deliveries too onerous;

3) in the case of force majeure events, such as strikes, currency crises, earthquakes, fires, floods, wars, embargo, military mobilization, insurrections and any events that are not linked to SACE's will.

In the aforementioned cases, SACE shall have the right to withdraw from the agreement without any obligation to refund damages.

C) In the event that the Purchaser has not regularly settled the payments pertaining to other supplies, the delivery terms shall be suspended and SACE may delay all deliveries until the Purchaser pays the amounts due. In the worst case, SACE may cancel the agreement in force in advance.



D) Should the Purchaser refuse to accept the delivery agreed when the goods are ready, the related amounts shall be paid as if the Products had been delivered.

E) Should the Purchaser not accept the delivery of the Products due to causes attributable to the same or, in any event, due to causes that do not depend on SACE's will, the Purchaser shall bear the risks and costs connected with their custody.

F) If the contractual relation is terminated, the Purchaser undertakes to unconditionally collect the goods in progress or on stock, in the quantities previously agreed with SACE, by and not later than 90 days following either the agreement termination, or a change in the technical parameters, or withdrawal from the agreement.

After this deadline, SACE shall have the right to ship all the materials they have on stock, and to claim payment against the Products delivered.

7) Shipment, Packaging, Transfer of Risk, Solve et Repete

A) Unless otherwise agreed between the Parties, the Products shall be delivered ex SACE's warehouse (EXW INCOTERMS), also when the agreements provide that shipment shall be fully or partially managed by SACE.

B) Shipments made carriage forward shall always be at the risk and under the liability of the Purchaser; when this type of shipment is used, any claims for Product tampering or missing Products shall always be addressed directly by the Purchaser to the reference carrier or forwarding agent.

C) Immediately after receipt, the Purchaser shall check the goods and send a written claim in the event that discrepancies are found in the Product quantities received, within 5 (five) working days following the delivery date; if no claim is sent within five working days after delivery, the goods shall be deemed accepted for all legal effects and purposes.

D) If the Purchaser does not provide any instructions, we may not be held liable for the means of transport chosen nor for the rates applied by the carriers or forwarding agents.

In the event that the agreement provides that the freight costs shall be borne, even only partially, by SACE, the means of transport shall be chosen by SACE only. Should the Purchaser wish to use a different means of transport, all the additional costs incurred shall be charged to the same.

E) Any transport insurance shall be subscribed only on request of the Purchaser, shall be made in the name of the Purchaser and shall be paid by the same.

F) Any claims or disputes shall not entitle the Purchaser to suspend or delay the payments due.

G) SACE shall pack the products based on their standard commercial practice.

Special packaging or delivery instructions requested by the Purchaser shall be mutually agreed by the Parties and the related costs shall be separately invoiced to the Purchaser.

H) Unless otherwise agreed by the Parties in writing in the Offer or in the Order Confirmation, the risk for Product deterioration, damage or loss shall be transferred to the Purchaser "ex works" (INCOTERMS 2000), i.e. ex SACE's warehouse.

8) Retention of title

A) The Products within the scope of this Agreement are subject to "Retention of Title", therefore they shall remain the property of SACE until the price agreed has been paid in full.

B) The Purchaser shall be responsible for safeguarding the Products as soon as they are made available to them and shall be bound to keep the goods received at arm's length and agrees to allow SACE's personnel or persons entrusted by the same company to inspect such Products at any time, until the supply has been paid in full.



C) The Purchaser may not sell, donate, exchange, transfer, pledge, seize, alter or bind in any other manner the Products within the scope of this Agreement as long as their price has not been paid in full, unless SACE provides a written consent for this purpose.

D) In the event that preventative and/or executive measures are taken against the Purchaser using the goods received, the Purchaser agrees and undertakes to notify the bailiff that they are only depository of the goods and to inform SACE of this circumstance within 24 hours, by telefax, certified e-mail or registered letter with notice of receipt.

9) Warranty

A) To be entitled to the Warranty, and on penalty of warranty nullity, the Purchaser shall strictly observe the provisions given at the address:

<http://www.sace-srl.com/download/general-warranty-conditions/>

B) The warranty for faults and defects of any nature and extent has a one-year term as of the delivery date of the goods and is exclusively limited to repairs or free replacement of the parts acknowledged to be non-conform due to material or manufacturing defects.

C) Product replacements or repairs shall be carried out ex SACE's works: the costs and risks for transporting the Products deemed defective shall be borne by the Purchaser. However, if SACE - in agreement with the Purchaser - deems that it is more appropriate to perform the replacement or repair works at the Purchaser's facilities, the latter shall bear the travel and lodging expenses, as well as the hourly labour cost (previously agreed) for the technical staff that SACE will make available. In addition, the Purchaser shall provide SACE with all the means and additional staff that may be required to perform the works as quickly and safely as possible.

D) SACE's warranty obligations shall become null and void in the following cases:

1) if the goods are returned without their identification labels;

2) if the Products were incorrectly assembled or improperly used, or if they were subject to poor maintenance or were modified without SACE's approval.

3) if the goods returned were disassembled or tampered with;

4) if the Products were hit or knocked;

5) if the electric parts were subject to voltage peaks or were wrongly connected.

E) In addition, SACE may not be held liable for Product conformity defects that are due to normal wear and tear of those parts that, because of their nature, are subject to fast and continuous wearing out.

F) In the event of proven non-conformity of the Component, any invoices from the Purchaser shall not be accepted. At SACE's sole discretion, if the Product found defective and therefore to repair or replace under warranty cannot be supplied, a credit note may be issued and wire transferred with a due date matching the supply terms.

G) Under no circumstance may a warranty claim entitle the Purchaser to cancel or decrease the quantity of Products ordered, nor to claim indemnifications or compensations of any nature.

H) The Purchaser agrees and undertakes not to use the Products purchased for any purpose other their intended use, and not to modify their construction or operation. Should the Purchaser fail to observe the aforementioned conditions, their right to the warranty shall become null and void.

10) Express termination clause

A) The Supply agreement shall be immediately and rightfully terminated pursuant to Article 1456 of the Italian Civil Code by means of a written declaration by SACE, whereby the company states that they want to apply this express termination clause in the event that the Purchaser:

1) fails to pay or delays payment of the amounts due;

2) delays collection or fails to collect the Products within the terms provided for under Article 6;

3) does not observe the confidentiality obligations provided for under Article 3 B). SACE will evaluate and claim consequential damages following the above resolutions.

B) The Agreement shall be terminated in the event that the Purchaser is in liquidation or is subject to any bankruptcy proceedings.

C) In the event that the Purchaser reduces the warranty provided on stipulation of the Agreement or does not provide the warranties envisaged, SACE shall have the faculty to withdraw from the Agreement without prior notice.

11) SACE's liability and disclaimer

A) SACE may be held liable only in relation to the proper operation of the Products, of the hydraulic and electronic systems and components supplied, based on the characteristics and performances expressly indicated in the Order Confirmation.

B) SACE may not be held liable for any defective operation of machines or systems manufactured or assembled by the Purchaser or by third parties using the Products supplied by SACE, even if the individual Products have been connected according to the layouts or drawings provided by SACE.

C) The Purchaser/manufacturer of the machine/vehicle in which the electronic controls with application software developed by SACE have been installed shall be held fully liable for all the consequences which may derive from the use of the machine/vehicle.

Accordingly, SACE may not be held liable for any direct or indirect consequences caused by faults or malfunctions of the machine/vehicle.

It is therefore the Purchaser's/manufacturer's responsibility to appropriately evaluate the risks and take all suitable measures to assure and safeguard the

safety of personnel and of their facilities and equipment in the working place, pursuant to applicable legislation.

D) The Purchaser agrees and undertakes to hold SACE harmless from and against any claims/and or legal suits filed against SACE by the end user and/or by third parties in relation to alleged defects found in the machinery.

E) Furthermore, the Purchaser agrees and undertakes to hold SACE harmless from and against any claims/and or legal suits filed against SACE for the alleged violation of exclusivity rights as well as of industrial and intellectual property rights involving the machinery.

F) In any event, both on a contractual and extra-contractual basis and subject to the provisions of Art. 1229 of the Italian Civil Code, SACE's liability in relation to the Purchaser may not exceed half of the amount actually paid by the customer to SACE for performing the work or service entrusted.

12) Privacy

A) SACE and the Purchaser mutually acknowledge, in compliance with Art. 13 of Leg.Decree No. 196 dated 30/06/2003 (Privacy Law, on the Protection of Personal Data) that all personal information provided shall be handled exclusively within the scope of the agreement for the supply of goods and services and for the purpose of complying with applicable legislation.

The information provided shall be processed in written form and/or on paper, IT, electronic or telecommunication means; in any event, it shall always be stored using proper and secure means. The data and information processed may not be disclosed to third parties, unless this is required to meet legal, accounting, administrative and other Law obligations.

Providing personal data is mandatory as regards all legal and contractual requirements.

Accordingly, refusing to provide such information in full or in part may prevent SACE



from starting and executing all contractual relations.

Pursuant to the aforementioned Law, the parties mutually acknowledge that the rights provided by Art. 7 of Legislative Decree No. 196 dated 30/06/2003 may be exercised at their own headquarters; in particular, they may exercise the right to access their own data, and to request additions to, updates and corrections of the information provided.

The subject concerned may also request the deletion, blocking and modification in anonymous form of the data provided in the event of violations of the law.

B) The Purchaser shall hold SACE and their successors and assignees harmless from and against any damage claimed, burden or expense, be it direct or indirect, that the Purchaser or their successors and assignees may incur as a consequence of any failure to observe applicable legislation on the Protection of Personal Data.

13) Applicable law

A) All the supply agreements with foreign countries, governed by these General Conditions of Sale, shall be ruled by the Laws of Italy.

14) Place of jurisdiction

A) Any controversies related to the execution, interpretation, validity, resolution and termination of the Supply Agreements between the Parties shall be exclusively referred to the Court of Bologna.

Signature of the Purchaser:

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After sending an own Supply Order and/or accepting SACE's order confirmation and consequent supply of the goods and services requested, the Purchaser confirms, approves and accepts all the clauses of these "General Conditions of Sale" and, pursuant to Art. 1341 and 1342 of the Italian Civil Code, declares to expressly approve the following clauses: 5) Prices and conditions of payment; 6) Delivery terms; 7) Shipment, Packaging, Transfer of Risk, Solve et Repete; 8) Retention of title; 9) Warranty; 10) Express termination clause; 11) SACE's liability and disclaimer; 12) Privacy; 13) Applicable law; 14) Place of jurisdiction.

Date:.....

Stamp and Signature of the Purchaser:

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