

INTERNATIONAL GENERAL CONDITIONS OF SALE

1. Definitions

1.1 In addition to the terms defined in other Sections of the present General Conditions of Sale, the following terms, as used herein, shall have the meanings indicated opposite each of them below:

"Acceptance

letter": means the letter written by the Vendor when accepting the Order;

"Agreement": means the agreement executed by the Contractual Documents and in case amended from time to time in accordance to the provisions set forth herein;

"AIS Procedure at Buyer's

Premises" means the assembly, installation and starting up procedure regulated in Section 13;

"AIS Procedure at Vendor's

Premises" means the assembly, installation and starting up procedure regulated in Section 15;

"Annex": means any schedule, form, exhibit or technical document expressly attached to the Contractual Documents;

"Buyer": means the buying entity as indicated in the Order;

"Buyer's

Confirmation" means the communication written by the Buyer when confirming the Acceptance Letter;

"Contractual

Documents": means the present General Conditions of Sale ("GCS") together with the Order, the Acceptance Letter, the Buyer's Confirmation thereto and any other Annex, if present;

"Delivery

Date" means the date indicated as delivery date of the Products in the Acceptance Letter;

"Delivery

Point": means the Vendor's premises or, if different, the place indicated as delivery point of the Products in the Acceptance Letter;

"Final Destination

Date" means the date, set forth in accordance with Section 6.1, when the Products shall be finally delivered at Final Destination Point;

"Final Destination

Point" means the place, set forth in accordance with Section 3.1, where the Products shall be finally delivered;

"Guarantee

Period" means the guarantee period indicated in Section 12;

"Industrial

Property" means any patent, model, intellectual or industrial property, trademark, logo, commercial name, as well as any other any other right, interest, good or

document, including the Technical Information, of the Vendor;

"Inspection and Acceptance

Procedure" means the inspection and acceptance procedure of packaging regulated in Section 6.4;

"Order": means the order of Products placed by the Buyer according to Section 3.1;

"Party/ies": means the Buyer and/or the Vendor;

"Pre-AIS

Procedure" means the pre-assembly, installation and starting up procedure regulated in Section 14;

"Products": means the products currently manufactured (or to be manufactured in the future) by the Vendor, listed and described in the Acceptance Letter;

"Shipping

Note" means any document released by the carrier to the Vendor at the time of Delivery of Products;

"Technical

information": means any drawing, document, software, instructions or information concerning the manufacture, assembly, installation or use of the Products supplied by the Vendor to the Buyer;

"Vendor": means the selling entity as indicated in the Order;

"Working

Day": means a day which is not a Saturday, a Sunday or a bank holiday in Italy, as well as, with reference to the AIS Procedure at Buyer's Premises, a bank holiday in the Country where the AIS Procedure at Buyer's Premises must take place.

1.2 Any of these Definitions shall have the same meaning in any and all the other Contractual Documents.

1.3 The Definitions together with any other Contractual Document hereto attached and/or hereby mentioned form integral and essential part of the Agreement.

1.4 The individual contracts for sale of Products formed in accordance with the procedure set forth in Section 3 shall automatically incorporate and include the terms and conditions of all Contractual Documents. As a consequence:

- (i) the present GCS shall apply unless expressly waived, excluded or renounced by the Vendor with the Acceptance Letter;
- (ii) the Buyer's general or particular conditions of purchase, if existent, shall apply only if expressly accepted by the Vendor with the Acceptance Letter.

1.5 The Agreement shall be interpreted according to the provisions set forth in all the Contractual Documents. In the event of conflict among the Contractual Documents, the present GCS shall in any case prevail insofar as not waived, excluded or renounced by the Acceptance Letter.

2. Subject of the Agreement

2.1 The Vendor agrees to:

- (i) manufacture and sell the Products to the Buyer as indicated in the Acceptance Letter;
- (ii) deliver the Products according to the provisions set forth in Section 6;
- (iii) afterwards assemble, install and start up the Products according to sections 13, 14 or 15.

2.2 The Buyer agrees to purchase the Products from the Vendor.

2.3 The manufacture, sale, delivery, assembly, installation and starting up of the Products shall be governed by the terms and conditions of the Contractual Documents.

3. Placing of Order, Vendor's Acceptance Letter and Buyer's Confirmation

3.1 Order shall be regarded as accepted for all purposes, provided that it complies with the following procedure:

- the Buyer will place an Order according to the Vendor's commercial listings and/or offers. Each Order for Products issued by the Buyer to the Vendor under the Agreement shall:

- (i) be identifiable as an order;
- (ii) set forth the description and quantity of Products;
- (iii) set forth the Final Destination Point of Products;
- (iv) indicate a preference for the Delivery Date and for the Final Destination Date of Products;

- the Vendor will send an Acceptance Letter, and the present GCS attached to it, within 8 (eight) Working Days from the receipt of the Order. The Acceptance Letter shall contain:

- (i) the description and quantity of Products which are to be manufactured, sold and delivered, and, if the case may be with specific reference to voluntary and not mandatory certifications and marks;
- (ii) the Delivery Date and, if different from the Vendor's premises, the Delivery Point of Products;
- (iii) the confirmation of the Final Destination Point of Products;
- (iv) the provisional indication of the Final Destination Date of Products;
- (v) the AIS Procedure at Buyer's Premises according to section 13, as well as, if agreed upon by the Parties, the Pre-AIS Procedure under Section 14;
- (vi) alternatively to paragraph (v) and if agreed upon by the Parties, the AIS Procedure at Vendor's Premises according to Section 15;
- (vii) the Purchase Price and, if existent, the applicable discounts;
- (viii) the terms and conditions of the payments, the relevant guarantees and, if different from that ordinarily prescribed by the law, the interests on arrears rate;
- (ix) the domicile of the Parties;
- (x) the explicit acceptance of and/or the specific modifications to the present GCS;
- (xi) the applicable law and jurisdiction.

- the Buyer must answer in writing to the Vendor whether or not it wants to confirm the Acceptance Letter within 60 (sixty) days from the receipt of it. The Buyer's Confirmation shall also contain any useful reference to laws or regulations which are applicable to the works, jobs and activities implied by the AIS Procedure at Buyer's Premises and described by the Vendor in the Acceptance Letter, as well as a preference for the date of the mentioned AIS Procedure at Buyer's Premises.

The Acceptance Letter is automatically withdrawn by the Vendor for all purposes if it has not been confirmed by the Buyer within the above mentioned 60 (sixty) days time limit. The Buyer may not ask Products pursuant to an Acceptance Letter which has been withdrawn.

3.2 Acceptance on the Buyer's part of the Vendor's Acceptance Letter shall entail the full acceptance of any and all provisions stated therein, as well as the present GCS and the other Contractual Documents.

3.3 The Agreement shall be considered as legally binding both Parties to its compliance when the Buyer's confirmation is given to the Vendor. As a consequence, the Agreement is deemed to be executed at Vendor's premises at the moment when the Vendor receives the Buyer's confirmation. Without any prejudice to Section 5, if the Buyer fails to pay any payment in advance due or to fulfil even partially any other of its duties and obligations, the Vendor shall be entitled to delay the performance of the Agreement until the fulfilment of such duties and obligations.

3.4 In no event the Agreement shall be executed or entered into solely by means of performances or implementations, even partially, by one or more Party/Parties.

4. Suspension of the Delivery

4.1 The Buyer may suspend the Delivery of the Products as well as of part thereof solely provided that the suspension request is delivered to the Vendor at least 90 (ninety) Working Days before the Delivery Date.

4.2 Any suspension request delivered to the Vendor not in compliance with Section 4.1:

- (i) shall not imply a suspension of payments owed;
- (ii) shall not imply any modification as to the passage of risks of loss or damage;
- (iii) shall not imply a delay of the Delivery Date and the starting date of Warranty;
- (iv) shall imply the charge to the Buyer of any cost occurred because of the not implemented Delivery.

4.3 In no case the suspension of the Delivery, which has been duly requested in compliance with Section 4.1, shall last 180 (onehundred-eighty) days over the Delivery Date. Should not the Delivery be implemented by this 180 (onehundred-eighty) days time limit, the Vendor shall be entitled:

- (i) to terminate the Agreement;
- (ii) to retain both the Products and any sum paid by the Buyer;
- (iii) to get the payment by the Buyer of a penalty equivalent to 5% (five per cent) of the Purchase Price.

4.4 No suspension request having been submitted to the Vendor, Section 4.2 shall also apply when the Delivery fails because of the occurring of Sections 3.3 or of Buyer's non-cooperation and/or Buyer's non compliance either with the AIS Procedure at Buyer's Premises under Section 13 or with the Pre-AIS Procedure under Section 14 or with the AIS Procedure at Vendor's Premises under Section 15.

5. Purchase Price and Terms and Conditions of Payment

5.1 Without any prejudice to Section 11.2, prices of the Products and any discounts applicable thereto are set forth in the Acceptance Letter. Unless otherwise provided by the Acceptance Letter, all prices are EXW (Incoterms 2000) the Delivery Point

and not including packaging and AIS Costs (to be counted separately). All prices and any other sum owed to the Vendor for any reason shall be deemed net, Vendor's domicile.

5.2 Full payment for Products is due upon the terms and subject to the conditions set forth in the Acceptance Letter.

5.3 The Buyer shall make payments promptly on the due dates specified in the Acceptance Letter, notwithstanding the results of the Inspection and Acceptance Procedure under Section 6.4., of the AIS Procedure at Buyer's Premises under Section 13, of the Pre-AIS Procedure under Section 14, of the AIS Procedure at Vendor's Premises under Section 15; should the due dates specified in the Acceptance Letter elapse without any payment being made, the Vendor shall be entitled to terminate the Agreement. The Buyer shall not be entitled to claim for any breach on the Vendor's part unless the former has fully and timely made any payment due. In no case a breach on the Vendor's part shall entitle the Buyer to suspend or delay payments.

5.4 Being the Buyer in delay of any due payment, the Delivery Date will be automatically extended and Vendor shall have the right to suspend the Delivery and/or the performance of any obligation under this Agreement. Being the Buyer in delay either of due payment for a sum which is higher than the eighth part of the Purchase Price or, in any case, of two instalments, the Vendor shall be entitled either to claim for the full payment of all the sums owed or, as an alternative, to exercise its rights according to Section 18.1 (ii).

5.5 In the event the Buyer does not pay the sum owed, on such sum interests shall be accrued in favour of the Vendor, automatically and without

necessity of any notice or advise, from the moment when the payment is due to the moment of the actual settlement of the amount. The interests shall be paid accordingly to the rate set forth in the Acceptance Letter.

6. Delivery. Inspection and Acceptance Procedure

6.1 All deliveries of Products sold by the Vendor to the Buyer pursuant to the Agreement shall be made EXW (Incoterms 2000) the Delivery Point. The Final Destination Date shall be finally determined on the date and in the place of Shipping Note being issued. The Buyer shall be responsible for arranging all transportation of Products but, if requested by the Buyer, the Vendor shall, at Buyer's expense and risk, assist the Buyer in making such arrangements. In no case Vendor shall accept any return of packaging or parts of packaging. The Buyer shall make its entrusted carrier deliver the Vendor, if the latter so requires, any and all documents necessary to the Vendor for custom or fiscal purpose.

6.2 The Buyer shall always have the duty to accept the Delivery of the Products, without any exception or counterclaim. Should the Buyer fail to accept and perform the Delivery not as a consequence of Vendor's fault, the Buyer shall bear all costs and expenses incurred, being the Vendor entitled to take any measure in order to store and preserve the Products in accordance to Section 7.1.

6.3 Without any prejudice to Sections 3.3, 5.4, 8.5, 9.5 and 17, the Vendor shall do every effort to meet the Delivery Date and time set forth in the Acceptance Letter. The Vendor shall not be liable for the delay that may occur in fulfilling the Agreement, provided that the delay itself is limited to 30 (thirty) Working Days from the Delivery Date. Since the 31st day from the Delivery Date and for each week of further delay, the Vendor shall pay solely a penalty of

0,5% of the value of the Products ordered, until a maximum of 5% of such value, without any right, on the Buyer's part, to claim further costs and damages. In no case a delay on the Vendor's side shall imply the Buyer's refusal of making payments owed, nor the right to terminate this Agreement without having before notified such intent in writing to the Vendor and not having the Vendor delivered the Products within the time limit of 45 (fortyfive) Working Days following the receipt of such notice.

6.4 The Vendor shall notify the Buyer the date and time at which the Products will be packed. By 8 (eight) days from the receipt of such notice, the Buyer shall be able to ask to be present at the packaging, at its total costs, expenses and risks, in order to examine the shipment and the packaging and determine whether any item or items included in the shipment are in short supply and whether any fault has occurred in the packaging (**"Inspection and Acceptance Procedure at Vendor's Premises"**). Buyer, who actually attends to the Inspection and Acceptance Procedure at Vendor's Premises and does not report any shortage in the shipment nor any fault in the packaging, shall be deemed to have accepted the Products as well as the packaging thereof and to have waived all claims therefore, included the event of shortages in the shipment as well as of faults in the packaging. Buyer, who does not attend to the Inspection and Acceptance Procedure at Vendor's Premises, shall be entitled to report any shortage in the shipment as well as any fault in the packaging and to claim for it solely by 5 (five) Working Days from the Final Destination Date and, in any case, by 45 (fortyfive) days from the Delivery Date (**"Inspection and Acceptance Procedure at Buyer's Premises"**). Should this time limit expire and no Inspection and Acceptance Procedure at Buyer's Premises be performed as well as no report or claim be made by the Buyer, the

Buyer itself shall be deemed to have accepted the Products as well the packaging thereof and to have waived all claims therefore, included the event of shortages as well as of faults in the packaging.

7. Passage of Title and Risk of Loss and/or Damage

7.1 Title to and risk of loss or damages of Products shall pass from the Vendor to the Buyer on the Delivery Date at the Delivery Point.

7.2 In case of instalment payments, the Vendor reserves title to the Products until full payment of the Purchase Price; therefore the Buyer shall not resell or dispose of the Products. The Buyer undertakes to take all necessary measures to set up a valid reservation of title in its country in the most extensive form permitted and/or to institute a similar form of guarantee in favour of the Vendor; the Buyer further undertakes to cooperate with the Vendor to establish those measures required to protect the property rights of the Vendor. The Vendor shall be authorized to take, at the Buyer's expense, all necessary measures to secure reservation of title against third parties.

8. Compliance with Domestic Laws

8.1 Vendor represents that all Products, whose Final Destination Point is within the Vendor's country, comply with any laws, statutory regulations and governmental existing orders which is applicable to the sale of Products within the Vendor's country itself.

8.2 Vendor also represents that all the Products, whose Final Destination Point is within the EU and EFTA countries, comply with any mandatory rule which is applicable to the sale of Products within Final Destination Point's country.

8.3 Without any prejudice to any different provisions of the Acceptance Letter, the Buyer represents that it has obtained all permissions and licenses for importing the Products within its own country and that Products comply with any laws, statutory regulations and governmental existing orders which may be applicable to the importation and sale of Products within its own country.

8.4 Buyer shall refund the Vendor for all levies, dues, taxes and duties imposed on the Products purchased by the Buyer or due by reason of exporting, importing and selling Products in the Buyer's country.

8.5 Whenever further administrative authorizations are required for export in Vendor's country, the Delivery Date agreed upon shall be automatically extended by the time required for such authorization to be issued.

9. Products Use and Technical Information – Industrial Property

9.1 Buyer shall use Products under the provisions of the Agreement according to their functions and properties as indicated in the Contractual Documents. Buyer shall bear any and all responsibility, fine, criminal offence and consequence deriving from any violation of such use and shall hold harmless and indemnify the Vendor from any and all responsibility, cost, expense or damage deriving therefrom.

9.2 For the purpose set forth in the first alinea of Section 9.1, Vendor grants Buyer with the non-exclusive right to use Technical Information only in connection with the servicing of Products during the validity, and in accordance with the terms, of the Agreement.

9.3 Buyer acknowledges and agrees that nothing in the Agreement shall be construed or interpreted as granting Buyer with any right or interest in the Technical Information, that is, and shall remain, exclusive property of the Vendor. In any case, Buyer shall not act in a way, which may jeopardise the Vendor's right and interest in or to the Technical Information. Moreover, the Technical Information shall not be exploited by the Buyer for extra contractual purposes nor shall they be copied, reproduced, transmitted or made known to third parties without pre-emptive and written permission of the Vendor.

9.4 Buyer shall promptly refer to the Vendor any infringement of the Technical Information or any claim related thereto of which the Buyer may become aware and shall offer any reasonable support to the actions adopted by the Vendor in order to oppose such infringement or claim.

9.5 Should the Buyer supply drawings, documents, technical information or software concerning the projecting, designing, manufacturing or assembling the Products or any parts thereof, after the completion of the object of the Agreement the Vendor will not be entitled to use, copy, reproduce, transmit them to third parties if the Buyer has expressly denied the Vendor any right thereupon. Any Buyer's delay in Buyer's supply of such information shall automatically extend the Delivery Date by a period equal to the delay in providing such information.

9.6 Industrial Property is and shall remain exclusive property of the Vendor and the Buyer shall not acquire, by means of the Agreement, any title, property, right or interest thereof. Sections 9.3 and 9.4 shall apply mutatis mutandis.

10. Representations and warranties

10.1 Each of the Parties represents and warrants that it has the corporate power to enter into and to perform its obligations under the Agreement and that any and all necessary corporate actions for the execution of the Agreement have been duly taken.

10.2 The Buyer represents that it has appropriate knowledge and experience and owns adequate facilities for granting a competent and adequate use of Vendor's Products. Vendor shall not be held responsible for any damage, malfunctioning or other cost that the Buyer will bear whenever such damage, malfunctioning or other cost have derived and arisen, even indirectly, from the Buyer's incompetence to grant the assembly, installation or use of the Products according to their functions and properties as indicated herein or elsewhere in the Contractual Documents.

11. Descriptive matters and specifications

11.1 All descriptions and illustrations and particulars of weights, size, dimensions, technical details of functions and properties, output and other data issued by the Vendor in catalogues, price lists, listings, advertising matter and forwarding specifications are by way of general description and approximate only, and shall not form part of any contract or give rise to any right or interest on the Buyer's part, nor any liability on the Vendor's part.

11.2 The Vendor reserves the right to change prices or discounts applicable to the Products as indicated in catalogues, price lists, listings, advertising matter and forwarding specifications depending on raw materials trends or general conditions of the market. In any case, the Purchase Price of the individual

contract of sale shall be set forth in the Acceptance Letter.

11.3 It is the policy of the Vendor to endeavour, develop and improve its Products, and accordingly the Vendor reserves the right to change all particulars and specifications mentioned by Section 11.1 without prior notification or public announcement pursuant to such policy. In any case, nothing in the present Section 11.3 shall oblige the Buyer to accept goods that do not reasonably comply with the Agreement.

12. Warranty

12.1 Except in respect of death or personal injury caused by Vendor's gross negligence and without any prejudice either to Section 6.4 or to mandatory rules of applicable law, the Vendor:

- shall not be liable whether in contract, tort or otherwise to the Buyer by reason of any representation (unless fraudulent) or any implied warranty, condition or other term as to quality or fitness for purpose, or any duty at any applicable law that can be derogated;
- will bear no liability for any defect, nor for any third party ownership and/or industrial and/or intellectual rights;

save as expressly stated in the present Section 12. Nor shall the Vendor bear any liability for any indirect, special, economic or consequential loss or damage (whether for loss of profit, loss of use, loss of production, loss of contract or otherwise), costs, expenses or other claims for compensation whatsoever (whether caused by negligence of the Vendor, its employees or agents or otherwise) which arise out of or in connection with supply of Products or their use by the Buyer. Therefore, except in respect of death or personal injury caused by Vendor's gross negligence and without any prejudice

either to Section 6.4 or to mandatory rules of applicable law, the warranty provided by the present Section 12 is the only responsibility due by the Vendor to the Buyer by reason of the Agreement.

12.2 Subject to Section 12.3, each Product shall be sold under a 12 (twelve) months guarantee period starting from the completion either of the AIS Procedure at Buyer's Premises or the AIS Procedure at Vendor's Premises (the "**Warranty**"); in no case the Guarantee Period shall be longer than 15 (fifteen) months starting from the Delivery Date. The Vendor shall guarantee that each Product is free from any defects and of the kind specified by the Vendor in the Contractual Documents. In no case Vendor shall be obliged to deliver a Product suitable for a specific purpose and/or performance unless expressly agreed upon by the Parties in the Acceptance Letter. If any of the Products fails to meet the foregoing guarantees, the Vendor shall perform the repair and/or replacement interventions set forth in Section 12.5.

12.3 The Warranty given in Section 12.2 is subject to the following provisions, namely that:

- (i) the Products shall be used in ordinary manufacturing process of 8 (eight) hours per day and 5 (five) days per week, unless the Acceptance Letter provides a specific use of Products, agreed upon by the Parties;
- (ii) the defects shall not have arisen as to materials or spare parts ordinarily subject to wear and tear;
- (iii) the defects shall not have been caused, even indirectly, by the information, instructions, software, documents, materials, components or data supplied by the Buyer;
- (iv) the defects shall not have arisen through wilful damage, negligence, improper storage, abnormal working conditions, misuse,

alteration or repair of Products by the Buyer without the Vendor's approval;

- (v) the Buyer shall have followed all instructions and Technical Information issued by the Vendor with reference to the Products;
- (vi) where in discharge of its obligations under the Warranty given in the present Section 12 the Vendor agrees that the Buyer may undertake any repair or remedial work on its behalf, the cost of such work shall be agreed in writing between the Buyer and the Vendor before the commencement of any such repair or remedial work;
- (vii) save for fraud or gross negligence on the part of the Buyer, any compensation for damages to the Buyer shall not exceed the quota of the value of the Products in respect of the defective part.

12.4 Any amendment, replacement, repair or remedial work made to the Products either by the Vendor under Section 12.2 or by the Buyer itself under Section 12.3 (vi) shall not extend the Guarantee Period. The warranty for replaced and/or repaired parts of Products shall expire on the same day the Guarantee Period expires.

12.5 Notwithstanding the provisions set forth above, and unless otherwise specified hereinafter, all claims contesting any defects shall be made in writing, with no exclusion, within 5 (five) days after the Buyer having discovered them. Claims made after this 5 (five) days limit shall be deemed as ineffective and shall not be considered by the Vendor. In no case a claim notice shall be valid and effective when made after the Guarantee Period expired. After receiving a regular claim, the Vendor shall decide whether:

- (i) perform the warranty interventions either at its own premises or at Buyer's ones;

- (ii) replace the defective parts or components or repair them;
- (iii) make use of its own personnel and/or avail itself of affiliates and/or other enterprises and/or employ Buyer's staff. As to the relations with the Buyer, affiliates' or other enterprises' personnel is considered as Vendor's own personnel.

All warranty interventions shall be decided and directed by the Vendor. If warranty interventions are performed at Buyer's premises, the Buyer shall be responsible for adequacy of all sites involved in the interventions and for compliance of such sites with safety, labour and environmental rules prescribed by any applicable law and shall hold harmless and indemnify the Vendor from any cost, expense, liability or damage deriving therefrom. The Vendor shall not be responsible nor liable for damages occurred for misconduct of Buyer's staff in case involved in warranty interventions.

12.6 Without any prejudice to Section 12.3 (vi), costs connected to the warranty interventions shall be divided between the Parties as follows:

- (i) the Vendor shall bear costs relating to (a) parts or components necessary for remedying vices and/or defects of Products ; (b) manpower and labour costs of Vendor's personnel involved in the replacement and/or repair; (c) shipment from the Buyer to the Vendor of defective parts or components of the Products, if they are requested by the Vendor;
- (ii) the Buyer shall bear costs relating to (a) shipment of parts or components above mentioned under 12.6 (i) (a); (b) transfers, board, lodging, insurance, safety and health care of Vendor's personnel; (c) compliance of sites involved in the interventions with safety, labour and environmental rules prescribed by

any applicable law; in general (d) any other cost not included in the Section 12.6 (i).

12.7 If the parts or components of the Products, which the Buyer assumed to be defective, actually do not appear to be defective, the Buyer will bear any and all the costs provided by Section 12.6 (i), in addition to those mentioned by Section 12.6 (ii).

12.8 Any dispute arising among the Parties about the defects of Products shall be decided and solved by a Technical Arbitrage. The person appointed as Arbitrator shall be chosen by the Parties among persons with demonstrated high skills and qualifications with reference to the Products. In the event that the Parties do not reach an agreement on the person to be appointed as Arbitrator by 15 (fifteen) days from the Buyer's claim, the Arbitrator shall be appointed by the Court that would be competent in case of a legal action being filed. The Arbitrator shall render its decision within 30 (thirty) days from the date of appointment. Its decision shall be final and binding among the Parties.

12.9 The present Section 12 shall apply, *mutatis mutandis*, to any other warranty or guarantee eventually granted by the Vendor and embodied in the Contractual Documents.

13. Assembly, Installation and Starting Up Procedure at Buyer's Premises

13.1 All Products shall be assembled, installed and started-up at their Final Destination Point under exclusive direction and care of the Vendor and at exclusive expense and responsibility of the Buyer (the "**AIS Procedure at Buyer's Premises**"). If provided in the Acceptance Letter, the AIS Procedure at Buyer's Premises shall also include a final Trial Testing (the "**TT**") of the Products, that shall be

intended solely to verify if the Products are suitable for the ordinary purposes for which equivalent products are made. If the Acceptance Letter expressly provides the capability of the Products to reach certain specific performances, the AIS Procedure at Buyer's Premises shall include a Specific Performance Testing (the "**SPT**") of the Products.

13.2 The AIS Procedure at Buyer's Premises shall be decided and directed by the Vendor. Subject to Sections 13.6 and 13.12, the AIS Procedure at Buyer's Premises shall be deemed to be completed when the Products are started up or, when either a TT or a SPT has been agreed upon by the Parties, when the AIS Report is issued according to Sections 13.6 and 13.7.

13.3 The Acceptance Letter shall indicate the procedure to be followed, the precise amount of time needed and the jobs to which Vendor's personnel is assigned in order to complete the AIS Procedure at Buyer's Premises.

13.4 With its confirmation of the Acceptance Letter, the Buyer shall indicate any relevant applicable law to the works, jobs and activities implied by the AIS Procedure at Buyer's Premises and indicated by the Vendor in the Acceptance Letter, as well as a preference for the date fixed for the AIS Procedure at Buyer's Premises. Such date shall be finally fixed and agreed upon by the Parties in order to allow the Vendor's personnel to direct and superintend the procedure. The AIS Procedure at Buyer's Premises shall not be performed until the Buyer has fulfilled such obligations without any risk and/or responsibility on the Vendor's part and without any prejudice to Sections 3.3 and 12.2.

13.5 The Buyer shall also assure the compliance to the following laws or regulatory acts, including but not limited to any relevant law applicable at the place where the AIS Procedure at Buyer's Premises takes place, regarding:

- (i) matters of security and safety in the workplace;
- (ii) insurance and health care coverage for foreign workers;
- (iii) visa application procedure applicable to Vendor's personnel, as well as the stay of the latter in Buyer's country.

13.6 When the AIS Procedure at Buyer's Premises includes a TT and/or a SPT, the procedure itself shall be reported with precise specification of the procedure employed and the relevant outcome. The AIS Procedure Report shall be drafted and written by the Vendor and approved by the Buyer. The AIS Report shall be definitively deemed to be approved if the Buyer does not attend the procedure or if not expressly challenged or refused by the Buyer within 3 (three) days from its release and, in any case, once the Products are utilized by the Buyer for its industrial activities. Therefore Buyer shall immediately comply with and fulfil any and all of its obligation and due payments under this Agreement.

13.7 When the AIS Procedure at Buyer's Premises includes a TT and/or a SPT and the outcome of the procedure itself is negative, the Vendor shall correct the compliance defects recorded in the AIS Report and the AIS Procedure at Buyer's Premises shall be repeated under the same procedure and consequences as the initial one. The object of any second or further AIS Procedure at Buyer's Premises shall be confined to examining the specific malfunctioning of the Product reported in the first AIS Report.

13.8 The Vendor shall decide whether make use of its own personnel and/or avail itself of affiliates or other enterprises personnel and/or employ Buyer's staff. As to the relations with the Buyer, affiliates' or other enterprises' personnel is considered as Vendor's own personnel.

13.9 The Vendor's personnel charged with the AIS Procedure at Buyer's Premises shall only be assigned to jobs provided in the Acceptance Letter and shall not exceed the specific provisions of such letter.

13.10 The Buyer shall supply the Vendor with any reasonable assistance and make its best efforts to facilitate an adequate, proper and efficient stay and work of the Vendor's personnel. Moreover the Buyer guarantees the use of a sufficiently trained personnel in order to comply with the Vendor's instructions and allow the Vendor's personnel services to be effective.

13.11 In any case, without any prejudice to what at each times specifically indicated and agreed upon by the Parties, Buyer's undertakings shall include, but not be limited to:

- (i) completing all necessary work of whatever type before the start of the work of the Vendor's personnel, included alla measures which are necessary and/or proper to adequate the AIS Procedure to rules of applicable law relating to works, jobs and activities implied by the procedure itself;
- (ii) preparing all installations (lights, power, water, etc.) as well as necessary apparatus and equipment including hoisting gear and internal transport;
- (iii) arranging the parts to be assembled, ensuring that they are fully protected;
- (iv) guaranteeing the safety and health care of the Vendor's personnel at all times;

- (v) taking out an adequate insurance policy to cover the Vendor and/or its personnel against any accident or injury.

13.12 Any delay in the AIS Procedure at Buyer's Premises caused by the infringement and/or non fulfilment, on the Buyer's part, of obligations under Section 13.10 and 13.11 shall oblige the Buyer to compensate damages thereafter suffered by the Vendor. Without any prejudice to Section 4.2, if such delay continues for more than 2 (two) days, the AIS Procedure at Buyer's Premises shall be deemed to be totally and positively completed. Therefore the Buyer shall immediately and definitively comply with and fulfil any and all of its obligation and due payments under this Agreement.

13.13 The Vendor shall not be held responsible for any damage, delay, partial or integral breach of contract or non-fulfilment of the Vendor's obligation that is directly or indirectly caused by any inaccuracy, wilful or not, carried out by the Buyer, violating the provisions of present Section 13. Any damages caused to or by the Vendor's personnel during their service shall be charged to the Buyer. The Vendor shall not be responsible nor liable for damages occurred for misconduct of the Buyer's staff involved in AIS interventions.

13.14 The Buyer shall forfeit all rights, warranty, action and claim in respect of compliance defects and faults of the Products which, with the due diligence, should have been detected during the AIS Procedure at Buyer's Premises, unless such compliance defects or faults are expressly and specifically stated in writing in the AIS Report.

13.15 All the costs connected with the AIS Procedure ("**AIS Costs**") shall be borne by the Buyer. The AIS Costs are not included in the Purchase Price.

13.16 The Buyer shall bear the above mentioned costs and pay directly all expenses necessary to:

- (i) fulfill its obligations provided by present Section 13;
- (ii) taking all measures which are necessary or proper to adequate the AIS Procedure at Buyer's Premises to rules of applicable law relating to works, jobs and activities implied by the procedure itself;
- (iii) remunerate the services of the Vendor's personnel;
- (iv) reimburse labour, travel, food, lodging, transfers, health and insurance costs related to the stay of Vendor's personnel at Buyer's premises.

All payments shall be settled immediately against the relative invoice.

13.17 The Acceptance Letter can establish a remuneration and reimbursement global amount related to the AIS Costs.

13.18 When the Vendor's personnel is to be sent at Buyer's premises, according to present Section 13, the Vendor may condition the use of the services of its personnel to prior full payment.

14. Pre-Assembly, Installation and Starting Up Procedure

If the Acceptance Letter provides that the Products are assembled, installed and started up (and in case subject to TT and/or SPT under Section 13.1) at Vendor's premises, subsequently disassembled and delivered to the Buyer and then assembled, installed and started up again (and in case subject to TT and/or SPT under Section 13.1) at Buyer's premises under exclusive direction and care of the Vendor, Section 13 shall *mutatis mutandis* apply to the pre-assembly, installation and starting up procedure at

Vendor's premises ("**Pre-AIS Procedure**"), save for the following:

- (i) The Pre-AIS Procedure shall include any test or check which cannot be performed but at Buyer's premises. Therefore, save for tests or checks which can be performed only at Buyer's premises, subsequent assembly, installation and starting up procedure (as well as trial testing and/or specific performance testing) at Buyer's premises shall be exclusively directed to test and check the actual resolution and getting through of problems and malfunctioning reported during the Pre-AIS Procedure according to se Section 13.7.
- (ii) a Pre-AIS Report shall be drafted by the Vendor too and approved by the Buyer at Vendor's premises;
- (iii) the Pre-AIS Procedure shall be deemed to have been performed with positive outcome when:
 - a) the Buyer declares that it expressively refuses to attend the process;
 - b) the Buyer does not attend the process.
- (iv) the starting date of Warranty provided by Section 12 consists in the date in which the AIS Procedure at Buyer's Premises is completed.

15. Assembly, Installation and Starting Up Procedure at Vendor's Premises

15.1 If the Acceptance Letter provides that Products are assembled, installed and started up (and in case subject to trial testing and/or specific performance testing under Section 13.1) at Vendor's premises and, subsequently, disassembled and delivered to the Buyer with no further assembly, installation, starting up, nor, in case, trial testing or specific

performance testing at Buyer's premises under the Vendor's direction and care, Section 13 shall *mutatis mutandis* apply to the assembly, installation and starting up procedure at Vendor's premises ("**AIS Procedure at Vendor's Premises**"), save for the following:

- (i) the AIS Report shall be drafted by the Vendor and approved by the Buyer at Vendor's premises;
- (ii) AIS Procedure at Vendor's premises shall be deemed to have been performed with positive outcome if:
 - (a) the Buyer expressly refuses to attend the process;
 - (b) the Buyer does not attend the process;
- (iii) the starting date of Warranty provided by Section 12 consists in any case in the date in which the AIS Procedure is completed at Vendor's premises.

16. Supply of Spare Materials

16.1 Unless otherwise provided by the Contractual Documents and subject to Section 16.2, the Vendor represents that it will be able to sell and supply spare materials of the Products for a maximum period of 5 years from the Delivery Date.

16.2 The representation given in Section 16.1 is subject to the following provisions, namely that:

- (i) the Vendor shall be able to supply only spare parts created and produced by the Vendor itself; accordingly, the representation given in Section 16.1 does not apply to those parts of Products that are created and/or produced by third parties (so called «commercial spare materials»);
- (ii) the Vendor shall be able to supply spare parts in a reasonable term from the request and at

the Parties in advance; accordingly, the representation given in the Section 16.1 does not entail an obligation, on the Vendor's side, to keep a storehouse of spare parts.

17. Force majeure

17.1 Unless better specified elsewhere in the Contractual Documents, except with respect to Buyer's payment obligations (which shall be in any case performed at the terms and conditions agreed upon), delays or failure of either Party in the performance of its obligations hereunder shall be excused if and to the extent they have been caused by circumstances that are beyond the reasonable control of the Party affected and that cannot be promptly resolved ("**Force Majeure**"). Accordingly, and by way of example, the Vendor shall not be responsible or liable if delay or failure of Delivery is due to the current condition of international relations among the countries involved in manufacture, delivery or transport of Products, as well as to war, even not declared, embargo, riot, revolt, fire, sabotage, natural disasters, governmental orders, incapability of getting raw materials.

17.2 When a Force Majeure event actually occurs, each party's obligation which cannot be performed because of such event – except with respect to Buyer's payment obligations, which shall be in any case performed at the terms and conditions agreed upon – shall be automatically delayed, without any penalty, as long as the Force Majeure lasts. Parties must give information each other by 15 (fifteen) days from the beginning or the end of a Force Majeure event. Shouldn't a party comply with such a due, it shall forfeit the right to appeal to Force Majeure. Parties also undertake to assume all measures in order to assure in the shortest time the resumption of

ordinary performance of obligations delayed because of the Force Majeure event.

17.3 If the Buyer's obligation of payment are to be totally or partly performed by documentary credit and a Force Majeure event actually occurs, the Buyer, on Vendor's request, shall extend such documentary credit; shouldn't the Buyer fulfil such obligation, the Vendor, as an alternative to what regulated above, shall be entitled to perform the Delivery, even at bonded warehouses, and to collect entirely the documentary credit.

17.4 If the Parties cannot perform their own obligations under the Agreement because of a Force Majeure event for a period of time of at least 6 (six) months, the Parties themselves shall meet in the shortest time to make an evaluation of the relevance of such event on the Agreement, in particular with reference to the Purchase Price and the Delivery Date, and shall agree the terms and conditions of the performance of their obligations.

18. Termination

18.1 The Vendor shall be entitled to terminate the Agreement with written notice thereof given to the Buyer at any time on concurrence of any of the following events:

- (i) if the Buyer does not comply or violates one or more of the provisions set forth in Sections 3, 7, 9, 10, 13 and 14 of the present GCS or expressly set forth in the Acceptance Letter or in the event the Buyer is in breach of any of its material obligations hereunder;
- (ii) if the Buyer is in delay in the payment either of any sum due in advance or of a sum which is higher than the eighth part of the Purchase Price or of two instalments or of residual amount of the Purchase Price (when the

- (iii) Vendor is entitled to claim for it under the Agreement and actually has claimed for it);
- (iii) if any of the Buyer's representation or declaration given with the Contractual Documents is untrue or misleading;
- (iv) if the Buyer becomes insolvent, goes into receivership, files a petition of bankruptcy or is adjudicated bankrupt or if the Buyer applies for a procedure of judicial reorganization or if a writ of judicial reorganization is served against the latter or if a judgement of judicial reorganization or judicial liquidation is given against the latter, or if the Buyer ceases its operations for any other cause or any other manner.

18.2 Termination of the Agreement under Section 18.1 shall accrue without any prejudice of Vendor's right to hold any sum received, nor of any claim for damages, directly or indirectly occurred to the Vendor, nor of any other right, power or action under the applicable law or contract.

19. Post-Termination Obligations

Termination of the Agreement or any part of it shall not affect the rights and liabilities of either Party already accrued at the date of termination.

20. Miscellaneous

20.1 *Headings* – The headings in the Agreement are for convenience or reference purposes only and shall not control or affect the meaning, interpretation or construction of any provisions hereof.

20.2 *Entire Agreement* – The Contractual Documents supersede all prior agreements, representations, statements or warranties, whether oral or written, made by or on behalf of any Party hereto and

constitute the entire agreement between the Parties relating to the provision stated herein.

20.3 Severability – Should any clause or sub-clause or part of a clause in the Agreement be held to be invalid because it contravenes any applicable legal provision or because of any other reason, the Parties agree to renegotiate any such clause or sub-clause, or part of a clause in good faith in order to provide a reasonably acceptable alternative to the clause or sub-clause or part of a clause of the Agreement, giving otherwise effect to the intents originally pursued by the Parties under the Agreement. Notwithstanding the invalidity of any such clause or sub-clause or part of a clause, all other terms of the Agreement shall remain in full force and effect.

20.4 Amendments – The Agreement may not be amended, modified or supplemented and no waivers of or consents to departures from the provisions hereof may be given unless consented to in writing by the Parties.

20.5 No Waiver of Rights – Failure of either Party to enforce any of the provisions of the Agreement or any of their right hereunder or failure to exercise any election provided for herein, shall in no way be considered a waiver of such provision, right or election, or in any way affect the validity of the Agreement. The failure of either of the Parties to enforce any of said provisions, rights or elections shall not preclude or prejudice such Party from later enforcing or exercising the same or other provisions, rights or elections which they may have under the Agreement.

20.6 Other Remedies – Without any prejudice to Section 12 all rights and remedies of the Parties, or of either of them hereunder shall be in addition to all other legal rights and remedies belonging to them

and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies. The termination of the Agreement shall not affect any right or claim which shall or may have accrued or arisen prior to such termination.

20.7 Technical Arbitrage – Section 12.8 shall apply in any case of claim that could arise with reference to technical characteristics and properties of the Products and/or of the Spare Materials, as well as to the correctness and the outcome either of the AIS Procedure at Buyer's Premises, or the Pre-AIS Procedure, or the AIS Procedure at Vendor's Premises.

20.8 Assignment – This Agreement or any right deriving therefrom shall not be assigned by one of the Parties without the written consent of the other Party.

20.9 Notices – Any notice or other communication required or permitted to be given hereunder shall be delivered in person, transmitted by telecopier or similar means of recorded electronic communication or sent by international courier service or by registered mail with return receipt, addressed to the domicile of the Parties as specified in the Acceptance Letter.

20.10 Language – Unless otherwise provided by mandatory rules under the applicable law, all communications between the Parties (including all documents and instructions attached to, accompanying or following the Products) shall be in the English language which shall be considered the prevailing language between the Parties.