

GENERAL CONDITIONS OF SALE

Unless otherwise expressly provided for in the order or order confirmation of **COAM S.r.l.** (hereinafter the “**Seller**”), the sales of the Products by the latter are governed by these General Conditions of Sale (hereinafter the “**General Conditions**”) which supersede any conflicting provision printed on the forms utilised by the parties or by the buyer (hereinafter the “**Buyer**”).

1. PRODUCTS AND ACTIVITY

1.1 The Products covered by these General Conditions are those sold by the Seller at the time the order is placed (hereinafter the “**Products**”). Catalogues and promotional material shall not constitute an offer and may be modified by the Seller at any time without notice. The information and the technical characteristics of the Products contained in the catalogues, price lists, the promotional material and in the Seller’s internet website are indicative and do not bind the Seller.

1.2 Should the Seller be requested to manufacture the Products on the basis of technical documentation, schemes, specifications and/or drawings provided by the Buyer, the latter acknowledges that the Seller is only the performer of the instructions furnished by the Buyer and that the Seller is not the co-designer or the co-developer of the Products together with the Buyer.

Save for the hypothesis of non-conformity of the Products to the technical documentation and specifications provided by the Buyer or for defects in material and workmanship ascribable to the Seller, the Buyer will be therefore the only responsible for defects of the Products and for the relevant damages.

Should the Supplier be sued either for civil (including product liability) or for contractual responsibility or violation of law regulations (safety, pollution, etc.) as a consequence of the Products’ defectiveness, the Buyer will be obliged to indemnify and hold the Supplier harmless from each and every damage or cost which may derive to the Supplier in respect of the Products and the activity executed for the Buyer.

2. ORDERS AND ORDER CONFIRMATIONS

2.1 Orders shall be made in writing and shall be firm for 30 (thirty) working days from their receipt by the Seller. Orders shall be deemed accepted and binding upon the Seller only upon receipt by the Buyer of the duly signed order confirmation from the Seller.

2.2 Should the order confirmation contain modifications in respect of the order, such modifications shall be deemed accepted by the Buyer after five (5) days of receipt thereof unless notice of disagreement is given within the above period.

2.3 Seller shall have the right, even after confirmation of the order, to introduce any modification to the Products that it may deem necessary or appropriate, without the Buyer being entitled to raise any complaint. However, should any such modification cause material variations in the characteristics of the Products, the Buyer will be entitled to withdraw from the relevant sale contract by giving written notice by registered mail thereof within 10 (ten) days of receipt of Seller's written communication. In no event shall Seller be bound to offer any modified or improved Products to the Buyer after the order is placed by the latter.

3. PRICES

3.1 Unless otherwise indicated in the order confirmation, prices of the Products are those indicated in Seller's prevailing price list as of the date of receipt of the order. Such prices are expressed in Euros, V.A.T. or other sales tax or duty excluded.

3.2 In case of substantial variations in the costs (in particular, without limitation, costs of materials and workmanship), or in case of any other fact or circumstance which may affect the price of Products during the execution of the contract, prices may be varied by Seller even after confirmation of the order, should delivery take place beyond the agreed date for any reason not directly ascribable to it.

3.3 Unless otherwise agreed upon in writing, prices are for delivery EX-Works Seller's offices in Mellaredo di Pianiga (Venezia) (EX Works - Incoterms 2000) and do not include shipping, transport and insurance costs of the Products or any other material and/or any other cost after delivery in Mellaredo di Pianiga (Venezia), which shall remain for the reseller's sole account. Any special packaging is to be quoted separately by the Seller, as Products are supplied with standard packaging.

4. PAYMENT

4.1 Terms and methods of payment are those indicated in the Seller's order confirmation, unless subsequently modified by an express declaration of the Seller.

- 4.2 Irrespective of what set out in the order confirmation, payment shall be deemed effected at Seller's offices. The delivery of bills of exchange, cheques or other negotiable instruments by the Buyer shall not be considered as payment nor determine the shifting of the place of performance or the novation of the original obligations. All costs for issuance of the bills of exchange, cheques or other negotiable instruments including all relevant banking expenses, are for the Buyer's account.
- 4.3 Whenever a down-payment is agreed, same shall be paid by the Buyer at the time the order is signed. The down-payment shall not bear interest and will be promptly reimbursed to the Buyer should the relevant order not be confirmed by the Seller within the period specified in paragraph 2.1 above.
- 4.4 In case of payment by instalments, the Buyer shall deliver to the Seller the required negotiable instruments (cheques etc.), together with any security which may have been agreed. Should the Buyer fail to honour even one instalment or diminish the security granted to the Seller, the latter shall have the right - without prejudice to what set forth under paragraph 4.6 hereunder in favour of the Seller - to claim for immediate payment of the entire outstanding amount with forfeiture of any term benefit.
- 4.5. In case of payment by direct remittance, it shall be made by means of bank transfer via SWIFT - value date in favour of the beneficiary equal to the day on which payment is due - to the bank indicated by Seller.
- 4.6 In case of non-payment or delayed payment, in whole or in part, the Buyer shall be charged with interest at the rate provided for in Art. 5 of Italian Legislative Decree no. 231/2002. In such an event the Seller shall be further entitled to forthwith:
- a) suspend the production or delivery of any Products and orders in progress;
 - b) terminate the relevant sale contract;
 - c) claim for refund of all damages suffered as a consequence of the non-payment or delayed payment;
 - d) retain the down-payment and any other amounts so far paid by the Buyer, without prejudice to Seller's right to proceed for the recovery of any additional damages it may have suffered as a result thereof.
- 4.7 The Buyer shall not be entitled to suspend or delay any payment in case of complaints, defects of the Products or delay in delivery by the Seller.

- 4.8 The Buyer shall act as an independent contractor purchasing the Products from the Seller and reselling them in its own name and behalf.
The sale of the Products from the Seller to the Buyer do not rise any exclusive territorial right for the Buyer and it does not grant the latter any right or title to be considered as distributor or concessionaire of the Seller.
The resale price of the Products will be freely determined by the Buyer.

5. DELIVERY

- 5.1 Regardless of what agreed upon with respect to transport costs and/or any reference to the Incoterms and/or in the purchase order or order confirmation, delivery, identification of the Products and the relevant transfer of risks shall be deemed effected EX-Works at the Seller' facilities with the placing of the Products at disposal of the Buyer at the Seller' facilities in Mellaredo di Pianiga (Venezia) (Ex-Works Incoterms 2000). If requested by the Buyer the loading of the Products can be made by the Supplier, it being nevertheless understood that the relevant costs and risk of damage of the Products during the loading operation shall be borne by the Buyer.
- 5.2. Unless otherwise expressly agreed upon by the parties, all costs regarding delivery and shipment of the Products are borne by the Buyer.
- 5.3. Time of delivery shall be calculated in working days and shall not be of the essence. Delivery periods are in no case less than 15 (fifteen) days from Seller's receipt of the order, unless otherwise expressly agreed upon by the parties. In case down-payments are agreed, the relevant delivery period shall start from receipt by the Seller of the down-payment.
- 5.4. Delivery may be suspended by the Seller (i) in case of failure by the Buyer to effect the down-payment provided for in paragraph 4.3 or even the one instalment provided for in paragraph 4.5, (ii) until all technical and administrative data and information required to properly fulfil the order are received.
- 5.5. Should Seller be prevented from meeting any delivery date due to lack or delayed deliveries on the part of the suppliers, interruption or suspension of transport or energy, strikes or union agitations or by reason of any other event beyond its reasonable control, time of delivery shall cease to run from the day of communication of the impediment to the Buyer. In case the impediment of material deliveries lasts for more than 60 (sixty) days, each party shall be entitled to terminate the contract by giving written notice to the other, without any

compensation or indemnity being due by the Seller which will have in any case the right to have the Products already manufactured for the Buyer at the time of the communication of the impediment, duly paid by the Buyer.

6. INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

6.1 The Buyer shall not register or assign the Trademark or any other Seller's distinctive marks nor use the Trademark or other Seller's distinctive marks, trademarks, names or expressions to register domain names and/or to build internet sites or web pages, even for the purpose of the promotion and resale of the Products. The Buyer cannot insert or display the Trademark and/or the Products on its own web sites or home pages. In case of express written authorisation by the Seller, the registration is to be considered as effected on behalf of the Seller and the Trademark and/or the domain name must, therefore, be assigned back to the Seller.

6.2 The Client acknowledges COAM's exclusive right, titled or not also according to article 2598 of the civil code, and must keep strictly confidential and secret all information relating to the latter and to the know-how as well as show-how utilised by COAM in the manufacture of the Products: consequently the Client cannot deposit or register, as its own or third parties exclusive industrial and intellectual property right, tangible and/or intangible assets such as inventions or technical solutions realised by COAM.
All rights relating to drawings, technical specifications and documentation supplied by COAM will remain the exclusive property of COAM.

7. NON-COLLECTION

Except as otherwise communicated by the Seller, the Buyer shall collect the Products on the day indicated in the order confirmation. After 10 (ten) days have elapsed without the Buyer having collected the Products, the Seller shall be entitled to forthwith terminate the sale contract by giving written communication thereof to the Buyer, save – in any case - for Seller's right to claim payment of the penalty fee provided for under paragraph 8 herebelow, as well as compensation of any further damage it may have suffered as a consequence of non-collection of Products by the Buyer. The Seller shall be further entitled to definitely retain the down-payment and any instalments so far paid by the Buyer and sell the Products to third parties by giving notice to the latter of the terms and conditions of the sale at least 10 (ten) days in advance. Any difference between the contractual price (increased by any custody and preservation costs) and the price actually recovered from the sale shall constitute a debt of the Buyer and

shall yield interest at the rate set forth in paragraph 4.6 above.

8. PENALTY CLAUSE

In case of cancellation by the Buyer of a firm and/or confirmed order as well as in case of non-collection of the Products by the Buyer, the latter shall pay to the Seller a penalty fee equal to 20% (twenty per cent) of the value of the cancelled order and/or non-collected Products, without prejudice to Seller's right to claim compensation of any further damages suffered in connection therewith.

9. WARRANTY

9.1 Seller warrants that the Products are free from defects in and workmanship under normal use and maintenance and that they conform with the prototypes or drawings approved by the Buyer, should it be the case.

NO FURTHER EXPRESS OR IMPLIED WARRANTY, WHETHER BY OPERATION OF LAW OR CONVENTIONAL, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR SPECIFIC PURPOSES, IS GRANTED BY THE SELLER TO THE BUYER.

9.2 The warranty shall not apply in case of (i) Products damaged in transit, (ii) improper installation and/or assembly, improper use and improper maintenance, repairs or interventions of the Products, (iii) damages caused by accident, fire or other casualty or negligence not ascribable to the Supplier, (iv) failures resulting from tampering or modifications of the Products not effected by the Seller, (v) damages occurred during repair and/or replacement operations not effected by the Seller, (vi) normal wear and tear, (vii) use of non-original spare parts, (viii) damages incurred as a result of non compliance with COAM's technical manual and relevant use and maintenance instructions, (ix) damages incurred during Buyer's default in payment.

9.3 The Buyer shall, subpoena of forfeiture, examine the Products immediately after arrival and notify, subpoena of forfeiture, the Supplier of any incomplete or non-conforming consignments as well as of any patent defects discovered by it and/or its customers without delay and in any case not later than 8 (eight) days thereafter,

clearly indicating the defective Product, the Product code, the relevant consignment lot and delivery date and the nature of the defect.

Likewise, hidden defects shall be notified, subpoena of forfeiture without delay and in any case no later than 8 (eight) days from discovery by the Buyer and/or

its customers, clearly indicating the defective Product, the Product code, the relevant consignment lot and delivery date and the nature of the defect.

In no event shall the agents, buyers or intermediaries of the Seller be entitled and have the authority to represent and bind the latter towards the Buyer or any third party. For the purposes hereof any notice of complaint for defects in the Products will, therefore, be of no effect if made to the Seller's agents, buyers or intermediaries.

- 9.4 The Buyer shall hold the defective Products at Seller's disposal for a reasonable period of time in order to permit the inspection thereof and no returns are allowed without the latter's prior written authorisation. Upon Seller's request, the replaced parts shall be returned at the latter's facilities in Mellaredo di Pianiga (Venezia) as place of destination under "delivered duty paid" term (DDP Incoterms 2000).
- 9.5 Should any defect be notified timely and acknowledged by the Seller, it will repair or replace - at its sole discretion - within the usual time required therefore the defective Products free of charge EX Works COAM S.p.a. in Mellaredo di Pianiga (Venezia) (Incoterms 2000), ANY OTHER INTERVENTION AND REMEDY AS WELL AS ANY RESPONSIBILITY FOR DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES BEING, TO THE EXTENT PERMITTED BY LAW, EXPRESSLY EXCLUDED AND WAIVED BY THE BUYER, INCLUDING, WITHOUT LIMITATION, THE RIGHT OF REDRESS PROVIDED FOR BY ARTICLE 131 OF THE ITALIAN CONSUMER CODE.
- 9.6 The warranty hereof shall be valid for a period of 12 (twelve) months from assembly and start-up of the Products at the Buyer's factory and in any case for a period not longer than 36 (thirty-six) months from the date of delivery of the Products to the Buyer. It is however agreed that with regard to components and/or products which are not manufactured by the Seller as the electric and electronic parts, the relevant warranty of the Seller to the Buyer shall be limited to the content and the duration of the warranty respectively given by the third party to the Seller.
- 9.7 In case of warranty interventions, travel and board and lodging costs for Seller's personnel are for the Buyer's account. Should the intervention not take place during the warranty period warranty, the Seller shall be further entitled to a daily consideration for each technician sent to the Buyer on the basis of the rates normally charged by the Seller.
- 9.8 In case of repair or replacement of the defective parts a new 6 (six) month

warranty period, limited solely to the repaired or replaced parts, will commence to run. Should such warranty expire before the expiration of the original warranty period stated in article 9.6, such warranty for the repaired or replaced parts will automatically be extended until the date of expiration of the term indicated in article 9.6.

- 9.9 The Seller warrants, either directly or through third parties, the supply of spare parts for a maximum period of 5 (five) years from discontinuance of production of each Product model.
- 9.10 The installation and/or assembly of the Products and start-up operations shall be performed by the Client or its customer in compliance with COAM's technical manual and relevant use and maintenance instructions. The Client will therefore be responsible for all damages to persons or property occurred during the installation and/or assembly of the Products and start-up operations. To this extent the Client declares to have executed an appropriate insurance policy.

10. TERMINATION CLAUSE

Without prejudice to any express provision on termination contained in these General Conditions, the Seller shall have the right to terminate at any time the sale contract in case of breach or failure by the Buyer to perform or observe any material terms and conditions thereof, provided said breach or failure is not cured within 15 (fifteen) days of receipt of the relevant notice of complaint. In such an event, the Client shall pay COAM a penalty equal to 20% (twenty per cent) of the outstanding price, without prejudice to the latter's right to claim for compensation of any further damages suffered therefrom.

11. RETENTION OF TITLE

All Products delivered by the Seller to the Buyer are subject to the retention of title clause hereof, although not mentioned in the relevant order confirmations or in other documents of the Seller.

The Products shall remain the property of the Seller until the invoiced price and any other pertinent obligation of the Buyer have been fully discharged by the latter. In case of lack of or delay in payment and/or breach of duty by the Buyer, the Seller shall automatically be entitled to terminate the relevant sale contract and/or claim back the Products without any notice period being due. In such an event the Buyer shall be under the obligation to immediately return the Products to the Seller.

As long as the property has not passed to it, the Buyer shall be bound to treat the

Products with the utmost care, have them insured at its own cost against theft, vandalism and any damages caused by fire, water or other acts of God for an amount at least equal to the purchase price, notify the Seller in writing and without delay of any levy of execution or interference by a third party and immediately inform in writing the third party of the existence of the retention of title in favour of the Seller. To the extent the third party is not able to reimburse the Seller the full cost sustained for asserting its claim, the Buyer shall be liable for and will refund the Seller any such amount promptly upon receipt of Seller's written request.

All necessary inspections and maintenance interventions on the Products shall be for the Buyer's account. The above notwithstanding, the Buyer is entitled to sell the Products even prior to passage of title, provided (i) a retention of title clause substantially in the form hereof has been previously agreed upon between the Buyer and its customer and (ii) the relevant sale price has been insured against default. The Buyer hereby irrevocably assigns to the Seller, who accepts, all claims under any such resale contract and relevant insurance policy, said assignment being valid and enforceable also in case the Products have been processed by the Buyer prior to resale. Even after assignment to the Seller and without this affecting or impairing the latter's rights thereunder, it will be the duty of the Buyer to collect payment from its customers and/or the insurance company on Seller's behalf. The Seller will, therefore, not enforce any assigned claim as long as the Buyer fulfils its obligations, pays without delay, no insolvency petition is filed by or against it and no material deterioration of its financial and/or patrimonial situation has occurred. In case of delay in payment or upon Seller's written request the Buyer shall promptly instruct in writing the customer to whom the Products under retention of title have been resold to effect payment directly to the Seller. A copy of any such instructions will simultaneously be transmitted to the Seller. Upon Seller's demand the Buyer shall further deliver it all supporting documents which are necessary or useful to enforce the assigned claims or assert Seller's rights under this retention of title clause.

As long as the property has not passed to the Buyer any treatment, processing or transformation of the Products shall be deemed to have been carried out on behalf and in the interest of the Seller and the retention of title in favour of the Seller shall automatically apply to the processed Products. Likewise, in case any Product is processed with other items not belonging to the Seller, the latter shall automatically acquire joint ownership of the new product in proportion to the market value of the Product to the aggregate value of the other items at the time of processing. The same applies in case of commingling.

According to art. 11 of the Legislative Decree of 9.10.2002 n. 231 in the event of payment by instalments, the Buyer undertakes to subscribe a copy of each invoice

received by the Seller, reading as follows: “*payment by instalments with retention of title (vendita a rate con riserva di proprietà) ex. art. 1523 cc*”, and to return it to the Seller by registered mail.

In the event this retention of title clause is invalid, in whole or in part, according to the law of the country where the Products are situated, an equivalent security according to such law is considered as agreed between the parties. In such an event, the Buyer shall take all steps and carry out all formalities necessary to put in place such security and preserve the rights of the Seller. The same applies in case any claim assigned to the Seller is invalid or unenforceable, in whole or in part, under applicable law. Upon request of the Buyer, the Seller shall exempt the securities to which it is entitled as far as their value exceeds the claims’ value to be secured by more than 10%.

12. TAXES, COSTS AND TRANSFER OF RISK

Regardless of what may be agreed with respect to transport costs, discounts or other, and/or regardless of any reference to the Incoterms contained in the sale documentation of the Parties (i) any cost, tax or duty relevant to the sale of the Products including the costs of all customs formalities (as well as duties, taxes, and other official charges payable upon exportation of Products from Italy and or importation into the territory of the Buyer) must be borne by the Buyer, (ii) delivery, identification of the Products and the relevant transfer of risks shall be deemed effected at the Seller’s facilities with the placing of the Products at disposal of the Buyer.

13. GOVERNING LAW

The sales contract ruled by these General Conditions shall be governed by the laws of Italy, the application of the April 11, 1980 Vienna Convention on International Sale of Goods being expressly excluded (except for what set forth in Article 11 thereof with respect to the form of the contract).

14. COMPETENT JURISDICTION AND ARBITRATION

14.1 Any dispute between the Parties concerning supplies governed by any order and/or order confirmation of the Seller and/or governed by these General Conditions will:

- a) in case of Buyers with registered offices within the European Union or in Switzerland, be submitted to the sole jurisdiction of the Courts of Padova, Italy;
- b) in case of Buyers with registered offices outside the European Union or Switzerland, be settled by one or more arbitrators appointed in accordance with

the Rules of Arbitration of the National and International Chamber of Commerce of Milan, Italy. The arbitrator or the arbitrating body will decide according to the law and the award shall be deposited by the arbitrating body at the Secretary of the Chamber of Commerce of Milan within 6 (six) months from the constitution of the arbitrating body. The arbitration proceedings will be held in Padova in the English language.

- 14.2 As a partial derogation to what set forth under 14.1 points (a) and (b) above, the Seller will have in any case the right to act, at its sole discretion, before the competent Court where the Buyer has its registered offices.

15. FINAL PROVISIONS

- 15.1 Any sale contract ruled by these General Conditions may be amended only in writing, signed by each of the parties subsequent to the date of its execution.
- 15.2 Failure by Seller to enforce at any time any of the provisions of these General Conditions or of the sales contracts ruled thereby shall not be construed as a general waiver of such provision or of the right of the Seller to thereafter enforce each and every provision contained therein.
- 15.3 In the event any of the provisions of these General Conditions or any of the clauses of the sales contracts governed thereby will be declared null and void or ineffective or contrary to law, the remaining portions thereof shall continue in full force and effect and the offending portion shall be severed therefrom.

THE SELLER

THE BUYER

The Buyer further states and declares to expressly approve, for the purposes and to the extent provided for by Articles 1341 and 1342 of the Italian Civil Code, the provisions contained in the following paragraphs of the General Conditions printed above: 1.2 (Manufacture according specifications and Buyer's responsibility), 2.2 (Tacit Acceptance), 2.3 (Modification of Products), 3.2 (Price Variation), 4.4. (Forfeiture of Term Benefit), 4.6 (Consequences of non-payment or delayed payment), 4.7 (*Solve et repete* clause), 4.8 (Resale Conditions and

waiver of the exclusive territorial right and of the qualification of distributor or concessionaire of the Seller), 5.1 (Loading operation and responsibility), 5.4 (Suspension of deliveries), 5.5 (Force majeure), 6.3 (Limitations to the Products' marketing) 7. (Non-collection), 8. (Penalty), 9. (Limitation of warranty), 10. (Penalty on Termination Clause), 11. (Retention of Title and Products owned by the Seller), 12. (Costs, expenses and assessment of the transfer of risk). 13. (Applicable law) and 14. (Competent Jurisdiction and arbitration).

THE BUYER
