

SALES TERM

1. Characteristics of the Products - Modifications

1.1 Any information or data relating to technical features and/or specifications of the Products contained in dépliants, price lists, catalogues and similar documents shall be binding only to the extent they are expressly referred to in the Contract.

1.2 The Seller may make any change to the Products which appear to be necessary or suitable.

2. Time of delivery

2.1 If the Seller expects that he will be unable to deliver the Products at the date agreed for delivery, he must inform the Buyer within the shortest delay, of such occurrence. It is agreed that if a delay for which the Seller is responsible lasts more than 6 weeks, the Buyer will be entitled to terminate the Contract with reference to the Products the delivery of which is delayed, by giving a 10 days' notice, to be communicated in writing (also by telefax) to the Seller.

2.2 Any delay caused by force majeure (as defined in art. 9) or by acts or omissions of the Buyer (e.g. the lack of indications which are necessary for the supply of the Products), shall not be considered as a delay for which the Seller is responsible.

2.3 In case of delay in delivery for which the Seller is responsible, the Buyer may request, after having summoned in writing the Seller, a compensation for the damages actually suffered, within the maximum amount of 5% of the price of the Products the delivery of which has been delayed.

2.4 Except in case of fraud or gross negligence, the payment of the amounts indicated in art. 2.3 excludes any further compensation for damages arising out of non-delivery or delayed delivery of the Products.

3. Delivery and shipment - Complaints

3.1 Except as otherwise agreed, the supply of the goods will be Ex Works, even if it is agreed that the Seller will take care, in whole or in part, of the shipment.

3.2 In any case, whatever the delivery term agreed between the parties, the risks will pass to the Buyer, at the latest, on delivery of the goods to the first carrier.

3.3 Any reference made to trade terms (such as EXW, CIP, etc.) is deemed to be made to Incoterms published by the International Chamber of Commerce and current at the date of conclusion of this contract.

3.4 Any complaints relating to packing, quantity, number or exterior features of the Products (apparent defects), must be notified to the Seller, by registered letter with return receipt, within 7 days from receipt of the Products; failing such notification the Purchaser's right to claim the above defects will be forfeited. Any complaints relating to defects which cannot be discovered on the basis of a careful inspection upon receipt (hidden defects) shall be notified to the Seller, by registered letter with return receipt, within 7 days from

discovery of the defects and in any case not later than 12 months from delivery; failing such notification the Purchaser's right to claim the above defects will be forfeited.

3.5 It is agreed that any complaints or objections do not entitle the Buyer to suspend or to delay payment of the Products as well as payment of any other supplies.

4. Prices

Unless otherwise agreed, prices are to be considered Ex Works, for Products packed according to the usages of the trade with respect to the agreed transport means. It is agreed that any other cost or charge shall be for the account of the Buyer.

5. Payment conditions

5.1 If the parties have agreed on payment on open account, payment must be made, unless specified otherwise, within 30 days from the date of invoice, by bank transfer. Payment is deemed to be made when the respective sum is at the Seller's disposal at its bank in Italy. If it is agreed that payment must be backed by a bank guarantee, the Buyer must put at the Seller's disposal, at least 30 days before the date of delivery, a first demand bank guarantee, issued in accordance with the ICC Uniform Rules for Demand Guarantees by a primary Italian bank and payable against on simple declaration by the Seller that he has not received payment within the agreed term.

5.2 If the parties have agreed on payment in advance, without further indication, it will be assumed that such advance payment refers to the full price. Unless otherwise agreed, the advance payment must be credited to the Seller's account at least 30 days before the agreed date of delivery.

5.3 If the parties have agreed on payment by documentary credit, the Buyer must, unless otherwise agreed, take the necessary steps in order to have an irrevocable documentary credit, to be issued in accordance with the ICC Uniform Customs and Practice for Documentary Credits (Publication n. 500), notified to the Seller at least 30 days before the agreed date of delivery. Unless otherwise agreed, the documentary credit shall be confirmed by an Italian bank agreeable to the Seller and will be payable for sight.

5.4 If the parties have agreed on payment against documents (documentary collection) payment will be, unless otherwise agreed, Documents Against Payment.

5.5 Unless otherwise agreed, any expenses or bank commissions due with respect to the payment shall be for the Buyer's account.

6. Warranty for defects

6.1 The Seller undertakes to remedy any defects, lack of quality or non-conformity of the Products for which he is liable, occurring within twelve months from delivery of the Products, provided such defects have been timely notified in accordance with art. 3.4. The Seller will have the choice between repairing or replacing the Products which have shown to be defective. The Products repaired or replaced under the warranty will be submitted to the same guarantee for a period of six months starting from the date of repair or replacement.

6.2 The Seller does not warrant that the Products conform to special specifications or technical features or that they are suitable for particular usages except to the extent such characteristics have been expressly agreed upon in the Contract.

6.3 Except in case of fraud or gross negligence of the Seller, the Seller's only obligation in case of defects, lack of quality or non-conformity of the Products will be that of repairing or replacing the defective Products. It is agreed that the above mentioned guarantee (i.e.: the obligation to repair or replace the Products) is in lieu of any other legal guarantee or liability with the exclusion of any other Seller's liability (whether contractual or non-contractual) which may anyhow arise out of or in relation with the Products supplied (e.g. compensation of damages, loss of profit, recall campaigns, etc.).

7. Retention of title

It is agreed that, the Products delivered remain the Seller's property until complete payment is received by the Seller.

8. Force majeure

8.1 Either party shall have the right to suspend performance of his contractual obligations when such performance becomes impossible or unduly burdensome because of unforeseeable events beyond his control, such as strikes, boycotts, lock-outs, fires, war (either declared or not), civil war, riots, revolutions, requisitions, embargo, energy black outs, delay in delivery of components or raw materials.

8.2 The party wishing to make use of the present clause must promptly communicate in writing to the other party the occurrence and the end of such force majeure circumstances.

8.3 Should the suspension due to force majeure last more than six weeks, either party shall have the right to terminate the Contract by a 10 days' written notice to the counterpart.

9. Applicable law - Jurisdiction

9.1 This contract of sales is governed by the United Nations Convention on the International Sales of Goods and, with respect to questions not covered by such Convention by the laws of Italy.

9.2 The competent law courts of the place where the Seller has his registered office shall have exclusive jurisdiction in any action arising out of or in connection with this contract. However, as an exception to the principle hereabove, the Seller is in any case entitled to bring his action before the competent court of the place where the Buyer has his registered office.