

OFFICINE MONTORFANO S.r.l. GENERAL SUPPLY CONDITIONS

1. ORDER

These Supply Conditions are valid for every order confirmed within 15 days from the receipt date by OFFICINE MONTORFANO S.r.l., hereafter called “the seller”.

After the receipt of the order from the buyer, the seller sends an order confirmation to the buyer: its receipt by the buyer means the acceptance of these General Supply Conditions.

2. ORDER PRICES

The contract prices shall remain firm till complete execution of the contract and shall not be subjected to any amendment whatsoever.

3. TERMS OF PAYMENT

The buyer shall pay the credit to the seller as agreed in the order confirmation.

In case the money transfer will not be completed accordingly, the seller is entitled to apply commercial interests and the costs necessary to recover the amount due by the buyer (including the legal fees, if any).

4. TAXES AND DUTIES

All taxes, duties, entry tax and state government taxes payable outside Italy will be borne by the buyer.

5. BANK CHARGES

All banking charges applicable in Italy shall be borne and paid by the seller; all banking charges applicable out of Italy shall be borne and paid by the buyer.

6. PACKAGING

The items will be packed by the seller solidly and in a way suitable for long distance transportation. All material will be protected against rust for a period of six months; in case the material will be stocked for a longer time, the buyer has all responsibilities to control the status of the stocked materials and, if necessary, protect them with new rust prevention products.

The seller shall be liable for any and all damages to the items within the territories as indicated in the clause of delivery terms included in the order confirmation.

7. COUNTRY OF ORIGIN

The country of origin is Italy, European Community.

8. DELAYED DELIVERY AND PENALTY

Should the seller fail to make delivery on time as indicated in the order confirmation, with the exception of Force Majeure cases as specified in clause 9 of these General Supply Conditions, the seller shall agree to pay a penalty to the buyer only under the condition that this clause was already requested in the first original inquiry of the goods and accepted by the seller, or upon different agreements specified in the purchase order and accepted by the seller by return of signed contract.

Such penalty, however, shall never exceed 5% (five percent) of the total value of the items affected by the delayed delivery and shall be applied only to the items object of the delay.

9. FORCE MAJEURE

The seller shall not be responsible for the delay in shipment or non-delivery of the items due to any case of Force Majeure such as war, serious fire, thphoon, truck/vessel accident, earthquake and any other case that will be acknowledged by both parties, by mutual agreement, as being cases of Force Majeure, which might occur during the execution of the order.

10. WARRANTY OF QUALITY

The seller guarantees that the items are new and in conformity in all respects with the quality specifications and performance as indicated in the order. The applicable warranty period shall be of 12 (twelve) months after despatch (as evidence by the bill of lading or other

transport documents emission date), and shall concern only non-conformities relating to negligence of the seller.

In case of claim, the buyer shall detail the non-conformity to the seller and will be entitled to send back the goods only after seller's authorization.

11. REVISION OF THE ORDER

In case the buyer wants to modify some order conditions and the goods are not yet delivered, the seller must give its consent in writing. Any and all modifications to delivery time, quantities or drawings, dimensions, materials, heat treatments and other mechanical or dimensional characteristics of the items, the buyer will have to inform the seller immediately in writing. The seller has the right to accept the requested modification giving to the buyer, upon explanations, the additional costs of each item, if any. The seller has the right to modify the delivery time required for the manufacturing according to new request and any kind of penalty on delayed deliveries as documents stipulated in clause n. 8 hereof will be cancelled.

12. SUSPENSION OR REQUEST TO POSTPONE THE ORDER

In case the buyer requests a suspension or a postponement of the order, the seller must give its consent in writing.

Any kind of penalty on delayed deliveries as documents stipulated in clause n. 8 hereof will be cancelled.

13. CANCELLATION OF THE ORDER

In case the buyer requests to cancel the order, the seller must give its consent in writing.

When a request of cancellation occurs after completion of the commodity or part of the same, the buyer shall pay all the relative costs to the seller. In case of down payment conditions specified into the order, the buyer will lose the money to complete advantage of the seller.

14. EFFECTIVENESS OF THE ORDER

If the buyer does not get in touch with the seller within a fortnight, the seller shall assume that the buyer fully and unconditionally agrees with the order confirmation. In case of down payment conditions specified into the order, the validity and effectiveness of the order start from the reception of the full amount into seller bank.

15. JURISDICTION/APPLICABLE LAW

The order is under jurisdiction of Milan (Italy), in accordance with the Italian laws.

16. VALIDITY OF CONDITIONS

From 01/01/2003 to the next revision.