

FORGE MONCHIERI SPA
General Sales Conditions

1. Purpose - The General Sales Conditions contained herein govern all present and future sales contracts between the parties. In the case of exceptions agreed in writing, these General Sales Conditions will continue to apply to the parts which have not been derogated. Purchaser's general conditions will not apply to future relationship between the parties unless express written approval is given. Any trade terminology used (EXW, FOB, CIF, etc.) refers to the Incoterms 2000 of the International Chamber of Commerce.

2. Formation of the Contract - The purchaser's acceptance of Forge Monchieri's offer and/or Forge Monchieri's order confirmation, in whatever form they are made, imply the application of these General Sales Conditions to the sales contract, and that applies also when acceptance takes place by simply carrying out the contract. Forge Monchieri's offer is considered firm and irrevocable only if it is in writing, specifying the terms of its validity. A purchaser's reply containing additions or modifications, even if they are not such as to substantially alter the terms of the proposal, is considered a counter-proposal, notwithstanding Forge Monchieri's silence.

3 – Weights – Technical Documents – Sub-supplies

3.1 Purchaser's drawings or technical information – Purchaser's drawings or technical information delivered to Forge Monchieri before or after the signature of the contract, remain exclusive property of the purchaser on the condition that:

- a) they relate to a patent or to another right of the purchaser's industrial or intellectual ownership; or
- b) they are of a secret nature, i.e. they do not refer to knowledge made public by the purchaser or otherwise known to the majority of the operators in the field; provided, however, that the purchaser has expressly informed Forge Monchieri in writing of its desire to reserve for itself the right to exclusive use.

Within the above limits, such drawings, documents or technical information shall not be used by Forge Monchieri, or copied, reproduced, transmitted or communicated to third parties without the purchaser's written consent.

3.2 Sub-supplies – Forge Monchieri reserves the right, at its own responsibility, to entrust part of the stages of manufacture commissioned by the purchaser to a sub-supplier.

4- Warranty

4.1 Conformity of the products – Forge Monchieri represents and warrants that the products are manufactured in conformity with the technical specifications expressly agreed in the contract, with the exclusion of any warranty about the specific use for which the purchaser, or his sub-purchaser, intends to use the product purchased.

4.2 Extension– The warranty is limited just to defects in the products due to defects in the material or in the manufacturing for which Forge Monchieri can be held responsible, and does not apply if the purchaser has modified or repaired them without Forge Monchieri's consent, or should such products have undergone subsequent machining and/or heat treatment by the purchaser.

Forge Monchieri is not liable for defects in the conformity of the products deriving, also indirectly, from drawings, plans, information, documentation, indications, instructions, materials, semi-machined parts, components or anything else supplied, indicated or requested by the purchaser or by third parties acting, for any reason, on behalf of the purchaser. Forge Monchieri does not in fact assume any responsibility with regard to the planning of the products and their correspondence to the use for which they are intended, that is to say the industrial result required by the purchaser. In no case Forge Monchieri shall be held responsible for defects caused by a fact subsequent to the passage of risk to the purchaser.

4.3 Duration – The warranty has a duration of *twenty-four* months, starting from the date of delivery, and is subject to a complaint being made by the purchaser in accordance with this article, as well as express written request that Forge Monchieri carry out an intervention under warranty.

4.4 Complaints – The purchaser is required to check that the products are in conformity to what agreed and are free from defects. The purchaser must report any defects of the products, as follows:

- a) complaints regarding obvious defects or non conformity, within and no later than 10 days from the date of delivery;
- b) complaints regarding hidden defects or non conformities, within and no later than 10 days of their discovery, within the warranty period.

Complaints must be made in writing and must indicate in detail the defects or the non conformities claimed.

The purchaser loses the right to the guarantee if it does not allow Forge Monchieri to make any reasonable inspections requested or if, Forge Monchieri having requested the return of the defective goods, the purchaser fails to return them within a brief period from that of the request.

4.5 Remedies - Following a normal complaint by the purchaser, made in accordance with this article, Forge Monchieri, within a reasonable period considering the entity of the complaint and pursuant to return of the product reported to be non conforming, shall, at their own discretion, choose:

- a) to supply the purchaser free of charge, under the same delivery conditions as in the original contract, with products which conform to what agreed; the non-conforming products shall become the property of Forge Monchieri;

- b) to repair the non-conforming products;
- c) to authorise the purchaser to carry out the intervention to resolve the non-conformity, compensating him for costs sustained for repairing the products, provided this is previously agreed and expressly accepted by Forge Monchieri in writing;
- d) to credit the purchaser with a sum equal to the price of the defective or non-conforming products.

4.6 Limitation of Responsibility – This warranty supersedes all legal warranty for defects and compliance and exempts Forge Monchieri from any other responsibility for the supplied products; in particular, purchaser shall not be entitled to any requests for compensation, price reductions or termination of the contract. Once the duration of the warranty has expired, no claim can be made towards Forge Monchieri.

In no event shall Forge Monchieri be liable for any indirect, incidental, exemplary or consequential damages, including without limitation any claim for damages based on lost revenues or profits, however caused.

5 – Inspections

5.1 Internal and external inspections – Inspection tests must be expressly agreed in the contract, together with the relative ways of carrying them out and the results to be obtained. Unless agreed otherwise, Forge Monchieri will arrange however to carry out the internal inspection of the products with its own personnel without the presence of anyone nominated by the purchaser, sending to the purchaser the results of the inspections carried out.

If expressly agreed, external inspection tests shall take place at Forge Monchieri's factory, with the presence of the purchaser's delegates and/or chosen Inspecting

Bodies. The Purchaser or the Body will be informed of the date arranged for the inspection with due prior notice. When the products have passed inspection the necessary documentation will be drawn up. Should the inspection prove negative it will be repeated, if so agreed between the parties, and in such a case it will take place using the same method aimed at the same results as the first one.

5.2 Results of external inspection tests – The purchaser forfeits any right, guarantee, action and exception regarding defects in conformity to the technical specifications of the products which could have been found during external inspection tests.

6 – Technical regulations and Product liability

With regards to the characteristics of the products, Forge Monchieri complies with the legislation and technical standards in force in Italy. The purchaser wholly accepts the risk of possible diversity between the Italian standards and those of a possible different country of destination of the products, therefore indemnifying Forge Monchieri, unless the purchaser has specifically informed Forge Monchieri of such a situation in advance.

Forge Monchieri shall indemnify purchaser against any product liability claims asserted by third parties relating to damages sustained as a result of a defective products which can be directly ascribed to Forge Monchieri, exclusively within the limits, terms and conditions of the product liability insurance policy held by Forge Monchieri.

7 – Delivery

Date of delivery – The delivery date will not be binding for Forge Monchieri unless the following conditions are met:

- a) the purchaser has arranged for payment of the share of the price eventually due as a deposit, and moreover
- b) has arranged to open the documentary credit eventually agreed, in conformity with the contract.

The same applies when the purchaser has to communicate and/or supply dispositions about production, technical data or other instructions for the preparation of the products or asks for variations while the order is being carried out.

In the above cases Forge Monchieri will inform the purchaser about the new delivery terms as soon as the latter has arranged to do as he is bound to by the contract.

The purchaser's obligation to accept the products – The purchaser is always obliged to accept the products, also when partial deliveries are made and also when the products are delivered after the established date of delivery. Should the purchaser fail to accept the products, for reasons for which Forge Monchieri cannot be held responsible or for circumstances beyond its control, the purchaser will bear all expenses which may derive as a result, and any sum due for any reason to Forge Monchieri will become payable immediately.

7.3 Impediments independent of the will of the parties. - The delivery date will be delayed by a period equal to that of the duration of the impediment, when events over which Forge Monchieri or the purchaser have non control take place, such as strikes of any kind, fires, floods, lack of motive power, lack or scarcity of raw materials, breakdowns and accidents in Forge Monchieri's production plants, and other impediments independent of the will of the parties which make the delivery temporarily impossible or excessively difficult. In no case, should the circumstances foreseen in this article occur, will the purchaser be able to demand compensation or claim for damages of any kind.

8 – Prices – Payment

Prices and payment – In the event of unforeseeable increases in the costs of raw materials or of the value of currency which occurs after the date of conclusion of the contract, duly documented by Forge Monchieri, the latter reserves the right to adjust the price agreed.

For orders issued in currency other than the Euro, Forge Monchieri reserves the right to adapt the price agreed, should important fluctuations of the exchange rate of the Euro/ "order currency" occur with respect to the exchange rate in force at the time of the order.

Payments, and any other sums due for whatever reason to ForgeMonchieri, are understood to be net and must be made to Forge Monchieri's office in Civate Camuno (BS) in accordance with the ways agreed.

8.2 Delays in payment – Any delay or irregularity in payment shall give Forge Monchieri the right to suspend supplies, even if not related to the payment in question, as well as to modify the payments for subsequent supplies, without prejudice to the right to claim for damages.

Starting from the payment deadline, Forge Monchieri shall have the right to interests for delay as per art. 5 of Italian Legislative Decree n. 231 dated 9/10/2002. Furthermore delay in payment gives Forge Monchieri the right to exclude the warranty as per art. 4 for the entire period during which the delay persists. The purchaser is also obliged to make full payment even in cases of claim or dispute.

9 – Withdrawal from the contract

Forge Monchieri reserves the right to withdraw from the contract and to cancel, entirely or partially, the purchaser's order in the following cases:

- a) a considerable change in the purchaser's financial situation and state of solvency,
- b) suspension of payments by the purchaser,
- c) the purchaser's company being submitted to bankruptcy, insolvency or settlement procedures with the creditors also when they are out of court,
- d) substantial modifications in the purchaser's company structure (e.g. transfer of the company or of one of its branches, de-merger, spin-off from the group, etc.).

10 – Retention of title

If payment either in whole or in part is to be made after delivery, the products delivered remain Forge Monchieri's ownership until full payment has been made.

The purchaser undertakes to do everything necessary to constitute - to the extent permitted by the law of the country where the products shall be located- a valid retention of title in the most extended form allowed, or to create an analogous form of guarantee in Forge Monchieri's favour.

11 - Applicable Laws – Competent Law Court

These General Sales Conditions shall be governed and interpreted according to the Italian law, with exclusion of the Vienna Convention on international sales contracts of goods dated 11th April, 1980.

All disputes arising from or connected with contracts to which these General Sales Conditions apply, shall be submitted to the exclusive jurisdiction of the Brescia's competent court (Italy); nevertheless Forge Monchieri shall have the right to start legal actions before the competent court of the purchaser's place of residence.

(date)

The purchaser