

GENERAL CONDITIONS OF SALE (revised 06/07)

1) The supplies of **FIAM UTENSILI PNEUMATICI SPA**, viale Crispi 123 - Vicenza (hereinafter referred to as the supplier) to customers are regulated exclusively by the following general conditions of sale.

2) OFFERS AND ORDERS

- 2.1) The validity of any offers the supplier makes is for no more than 30 [thirty_] days unless specified otherwise.
- 2.2) All orders must be in writing specifying the quantity and supplier code for each product ordered.
- 2.3) Orders are always definite and binding for the customer and also for the supplier when the confirmation of order is sent, with the exceptions as per article 5. Orders that are not confirmed in writing by the supplier within 8 [eight_] days from the date of their receipt are automatically intended as being refused.
- 2.4) If the customer asks for a modification during fulfilment of the order or if, during planning, some particularly technical difficulties arise, the supplier reserves the right to require an update of the contract conditions including the revision of the prices and/or delivery terms. If the supplier and customer fail to reach an agreement on the change to the contract conditions within 15 [fifteen] days from the date on which the customer receives such a request from the supplier, the latter has the right to cancel the contract, notifying the customer in writing within the next 8 [eight_] days. Under no circumstances can the supplier be asked to pay any resulting damages.
- 2.5) No orders are accepted that entail penalties.
- 2.6) The order will be fulfilled by the supplier only after having received a copy of these general conditions of sale duly signed by the customer, in other words, if no signed copy is received or of any proposals of alterations to the contract conditions within 15 [fifteen_] days from the date of the confirmation of order, they will automatically be considered accepted.

3) PRICES

- 3.1) Prices are those in force on the date the order was accepted, as per price list in force, in other words, at the specific price indicated in the offer, when there is one, or in the confirmed order⁸.
- 3.2) If, during the supply, there is an increase in materials, labour or other cost factors, it is the supplier's right to adjust the prices starting from the date on which said increases occurred, within a maximum limit of 10% [ten percent_].
- 3.3) All quotations are for goods delivered free works with packaging excluded unless specified otherwise
- 3.4) Prices are calculated on the basis of data in our possession at the time of offer issuance. If the offer leads to a customer order, the supplier reserves the right to redefine the prices if the customer's specifications do not correspond to those taken as reference for offer establishment.

4) DELIVERY TIME

- 4.1) Delivery is intended as made when the goods are made available to the customer or when they are given to the carrier or shipping agent.
- 4.2) If the customer has given no instructions for shipping the goods or fails to collect them promptly or because shipping is impossible, the supplier can deposit the goods in one of his warehouses, or in one of his sales offices or an address nearby, at the expense of the customer and without any responsibility for its preservation.

5) DELIVERY TERMS

- 5.1) The delivery terms start from the date the supplier receives a copy of these conditions of sale signed for acceptance by the customer. It is understood, however, that the delivery terms the supplier indicates will be met as far as possible but are always and only indicative and the supplier takes no responsibility for any damages caused by delays in delivery due to:
 - a) Circumstances of force majeure like, for example, but not limited to: total or partial strikes, the lack of or insufficient power, fires or other accidents in the suppliers' factories or warehouses or in those of his sub suppliers and all other events that are out of the control of the supplier or his sub suppliers
 - b) Insufficient or inaccurate or delayed information by the customer in transmitting the necessary indications for the completion of the order.
 - c) Any modifications accepted by the supplier after the receipt of the order
 - d) The customer's non-compliance with the payment conditions.
- 5.2) The delivery terms must take into account the dates from when the supplier shall have drawings, documents, instructions, equipment and materials at his disposal that have to be supplied by the customer.
- 5.3) In the eventuality the customer, notified that the goods are ready for delivery, shipping or testing (if envisaged), fails to see to collecting or giving instructions for shipping or sending his personnel for testing within 15 [fifteen] days, the supplier is authorised to proceed to testing without the customer's personnel. After testing the supplier can deliver the goods or store them on his premises or elsewhere at the expense and risk of the customer. In all cases the supplier can proceed with billing the sums agreed and completing the supply.

6) SHIPMENTS

- 6.1) The consignee must always lodge any complaints he may have to the carrier for tampering or shortages of materials.
- 6.2) The supplier shall take complaints into consideration which refer to change of product types and differences in quantities for catalogue material only if lodged in writing within 8 [eight_] days from the date of receipt of the goods and in case of difference in quantities only if the gross weight of the pack upon its arrival is indicated.
- 6.3) If the customer has given no instructions, the supplier declines all liabilities both for the choice of the transportation means and for the rates applied by the carrier or shipping agent.
- 6.4) Unless agreed otherwise, all expenses for shipping from the supplier's works are on customer account. If it is agreed that only part of the expenses for transportation is payable by the supplier, the supplier can use more economical transport means and, if different means are used, the additional arising costs shall be paid entirely and only by the customer.
- 6.5) The supplier reserves the right to dispatch small lots by post at the expense of the consignee again when different means are requested.

7) PAYMENTS AND RESERVATION OF TITLE

- 7.1) Payments shall be settled exclusively at the supplier's premises.
- 7.2) Any payment made in a different place and way from what is agreed upon will not be deemed valid by the supplier.
- 7.3) Once the established term for payment has elapsed, without prejudice for the right to recover the payment, the supplier shall calculate to his credit the interest on arrears at the annual rate of the official discount rate in force on the date payment of the invoice is due increased by 8 [eight_] points.
- 7.4) In case of a delayed or failed payment by the customer, the supplier can suspend manufacture and delivery of the goods still on order or he can cancel what is left on the order, notifying the customer who cannot claim any compensation or damages of any kind, except for all other rights of the supplier.
- 7.5) Any dispute about the products being manufactured, ready to be shipped or already dispatched or that are already in customer's hands, does not free the customer from the obligation to collect the whole quantity ordered and, however, from settling payment on the date established.
- 7.6) If payment is expressly dependent on the outcome of tests or commissioning at customer's premises, such tests or commissioning must not take place more than 10 [ten] days from date of receipt of the goods. Once this time has elapsed, for reasons that are out of the supplier's control, the customer shall proceed in any case to settling the payments as agreed within 20 [twenty] days from receipt of the goods. If customer cancels the order while its manufacturing is ongoing, the customer undertakes to pay all the expenses borne by the supplier up to the date of cancellation plus 20% [twenty per cent] for indemnity on this sum. The goods delivered remain the property of the supplier until complete payment has been made.
- 7.7) For administration purposes, the supplier does not accept discounts, allowances or rounding off.
- 7.8) The supplier remains the owner of the products supplied until they have been completely paid for. If the contract is cancelled, the supplier shall keep any payments the customer has already made as indemnity for damages with the right to receive additional indemnity.

8) SPECIFICATIONS AND DRAWINGS

- 8.1) Everything possible will be done to ensure all the descriptions, drawings and other information in the correspondence, catalogues, etc., are accurate but no responsibility will be taken for any inaccuracies there may be in such documents.⁹
- 8.2) Modifications during implementation requested by the customer must be put in writing and accepted by the supplier.
- 8.3) Any Drawing, specifications or any other documents or technical information or any other type prepared by the supplier for the execution of the supply or software, relative to the manufacture and/or assembly, are the sole property of the supplier himself; the term know-how is defined in art. 10 of the EC regulation 96/240 dated 31/01/96. The customer undertakes to keep confidential, not to reproduce and not to allow third parties to reproduce the technical solutions used in implementing the object of the supply.

9) GUARANTEE

- 9.1) Provisions as per article (9) are applicable to all sales made by the supplier to his customers except if their applicability is expressly limited only to those sales made directly to consumers. Under such conditions, the term "consumer" has the meaning established in Art. 1519 bis Italian Civil Code indicating any natural person who buys the products from the supplier for purposes having no bearing on his/her own entrepreneurial or professional line of business.
- 9.2) The guarantee given by the supplier is 1 [one] year from the date of delivery to the customer and is limited exclusively to the repairs or replacement free of charge of pieces that the supplier recognises as being faulty due to a lack of essential material qualities or a manufacturing deficiency. Notwithstanding the foregoing and only in the case of supplies made directly to consumers, the guarantee extends to any defect of conformity of the goods as regulated by Art. 1519 ter and attributes to the consumer, besides the right to having the pieces replaced or repaired, the right to have a reduction in price within the limits and according to the procedures as under Art. 1519 quater of the Italian Civil Code. The duration of the guarantee is reduced proportionally in case of service exceeding normal working hours which are considered 8 hours a day, 5 days a week.
- 9.3) The labour costs for technical service at customer's premises, to remove defects under guarantee, are paid by the supplier except in those cases where the defect is such that it can be removed easily on site by the customer himself after receiving authorisation from the supplier.
- 9.4) The customer shall pay transport and/or shipping costs as well as travelling, board and lodging expenses. Notwithstanding the foregoing and only if the supply is made directly to the consumers, said expenses are paid by the supplier provided they are strictly related to the service rendered to remedy the defects covered by this guarantee.
- 9.5) For the integrally commercial components purchased by the supplier from third parties, the guarantee reserved by third parties for the supplier is applicable.^{iv}
- 9.6) The customer must report apparent faults/flaws and defects within 8 [eight] days from receipt and latent defects within 8 [eight] days from their discovery otherwise the guarantee is not valid.^v
- 9.7) A complaint can never be a reason for the customer to cancel or reduce the orders or for the supplier to pay any kind of indemnity.
- 9.8) The goods for which a complaint has been lodged must be shipped back, free of all expenses, to the supplier's works. In case of a direct supply to consumers, the customer has the right to have the shipping expenses refunded.
- 9.9) The supplier's guarantee is invalidated if the pieces returned as faulty have been tampered with or repaired.
- 9.10) The supplier's guarantee does not cover damages or defects caused by external agents, maintenance deficiency, overloading, unsuitable lubricant, natural wear, choice of an inappropriate product, supplying air that is not perfectly filtered or that is not dry, any other type of supply that is unsuitable for using the products according to what is specified in the operating and maintenance manuals, errors in assembly or other causes that cannot be attributed to the supplier. The guarantee does not cover any of those parts which, due to their nature or use are subject to wear.
- 9.11) [The supplier is not liable for damages caused by accidents of any nature that happen while his products are being used, whether they are acknowledged as being faulty or otherwise and also when the supplier designed the application.]^{vi}
- 9.12) For the products with code 19..., such as multiple screwdrivers, tightening units, etc., the above guarantee conditions are valid only provided such products have been tested and/or installed and/or commissioned with the assistance of the supplier's technicians.
- 9.13) Products repaired at the supplier's premises and/or at an authorised and qualified centre, are guaranteed for a period of six months from the delivery date after repair, at the same conditions mentioned above, with exclusive reference to the components replaced.^{vi}

10) LEGAL DOMICILE AND COURT WITH JURISDICTION

10.1) Our legal domicile is care/of the supplier's premises in Viale Crispi, 123, Vicenza, Italy and the only court having jurisdiction is the Vicenza Court excluding all others.

11) DEROGATION FROM THE GENERAL CONDITIONS OF SALE

11.1) Any derogation or variation to these general conditions of sale must be confirmed and accepted in writing by the supplier and customer.

Place and date _____ (enclosed with the confirmation of order)

The supplier:
Fiam Utensili Pneumatici spa

Customer's stamp and signature:

12) In accordance with articles 1341 and 1342 of the Italian Civil Code, both parties declare to have read and expressly approved the following clauses: 2.3) the binding nature of the orders and the term for acceptance; 2.4) the supplier's right of withdrawal; 7) reservation of title; 9) guarantees; 10) domicile and competent court; 11) derogation from the general conditions

Customer's stamp and signature