

GENERAL CONDITIONS OF SALE AND DELIVERY

1 - Scope. These general conditions of sale and delivery apply to all contracts regarding the sale of products and/or services (hereafter referred to as the "Product") of the company PTM S.r.l. (hereafter referred to as the "Seller") subject to specific conditions or modifications made by express agreement in writing between the Seller and his customer (hereafter referred to as the "Purchaser").

These General Conditions therefore may not be modified by contrary stipulations in any of the Purchaser's documents, irrespective of the formulation thereof, without the Seller's express agreement in writing.

2 – Acceptance of the Contract. The sales contract shall be considered as accepted only when the Seller, after having received an order, confirms the order to the Purchaser in a written format.

The offer of PTM S.r.l. shall remain valid, unless otherwise stated on the offer, 7 days from the day the offer is drawn up. The Purchaser, on his order document, should make reference to his last Seller.

3 – Definition and execution of delivery. Unless otherwise agreed with the Purchaser, the Products are deemed to be delivered Ex Works, in accordance with the ICC Incoterms 2000.

The services that are not included shall be invoiced separately. In the absence of instructions on the destination of the Products or if it is impossible to dispatch the Products for reasons beyond the Seller's control, delivery is considered as carried out via an ordinary notice of availability.

The Products are then stored at the Purchaser's own risk and the Seller reserves the right to charge for storage.

In the impossibility of forecasting the exact quantity of material that shall be accepted by the final inspection, the Seller reserves the right to deliver quantities that may differ from the quantity ordered by to 10% less or more in considering the balanced order. The Purchaser undertakes in all events to pay the price corresponding to the quantity delivered (or of the global fixed cost for the order in question).

4 - Price. The price is net, Ex Works in accordance with the ICC Incoterms 2000, standard packaging included, in Euro, without any discount.

All other eventually expenses sustained by the Seller such as taxes, duties, carriage on land, sea or air, embarkation, insurance and other expenses shall be invoiced in addition to the Purchaser.

Unless stipulated otherwise, price is subject to revision in order to take into account variations deemed to be beyond the control of the Seller, notably including variations in prices of materials, costs of fuel, power and labour costs, when variations have occurred between the date when the price is set and that of contractual delivery.

5 – Payment term. The invoice must be paid either net, within thirty days of the invoice date' by bank transfer.

Different terms of payments should be explicitly included in the contract.

If the Purchaser does not respect the payment terms, he shall have to pay an interest rate calculated equal to 1,5 times the legal interest rate to all outstanding sums, applied from the first day following the expiry date, without any need for a reminder.

6 - Delivery term. Unless otherwise stated, the delivery times are given an indication. It runs from the date of the Seller's acceptance of the order.

Contractual terms may be extended for any reason preventing the Seller from fulfilling its obligations, particularly in the event of *force majeure*. For the purposes of the General Conditions, *force majeure* shall refer to circumstances outside the Seller's reasonable control such as a strike, an embargo, a tool accident, riot, war, natural disaster, fire, etc or due to similar events such as bad weather, difficulties with supplies, accidental production shutdown, unforeseeable evolution of the market, etc.

Delays shall not constitute grounds for claiming damages.

A delivery delay cannot be used as justification to cancel the order under any circumstances.

If for any reason whatsoever an order is not carried out within the agreed time, the Seller reserves the right to deliver the goods and the Purchaser undertakes to accept the delivery and to pay the price in accordance with the terms initially agreed upon.

7 – Transfer of the risks. The transfer of risks is carried out at the time of delivery.

Unless the Product is DDP Incoterms 2000, it travel at the Purchaser's own risk and the Purchaser must take recourse against the carriers, which may or may not have been designed by the Seller, in the event of delay, loss or damage.

8 – Modification order by the Purchaser. In case of change of dimensions of the Product in production or decrease of the ordered quantity, accepted beforehand in written format by the Seller, the purchasing Company is obliged to assume responsibility for the finished Product, as well as the eventual Product that is in the manufacturing process, and the raw material that can not be otherwise utilised.

The eventual costs of tools shall be invoiced separately.

9 – Product acceptance / Claims. The Purchaser should assure the quality of the Product during thirty days following delivery. All the defects should be announced by the Seller, in written format, within these terms. In contrary case, the Product will be considered as accepted.

If the Product shows visible defects and is detected as a goods non-conform to the specification, the Purchaser should allow the Seller to eliminate the defects or replace the Product.

In all cases, when the responsibility of the Seller is recognized by his technical department the reparation of the prejudice shall be limited to the replacement of the damaged Product to the exclusion of labour costs, operating losses or any other prejudice.

10 - Warranty. The Seller's liability is limited to manufacturing the Products, in compliance with the drawings and requirements of the specifications agreed between the parties.

The Purchaser shall be liable for the consequences of any errors or omissions in the specifications or in the drawings.

The Seller's warranty is limited to the improvement or replacement of the Product which, after verification, is unusable due to poor material, to a faulty production or execution.

The warranty is not applied in case of damages followed by an inadequate use or treatment by Purchaser or third parties. Any type of reparation should not be conducted without the Seller's written approval.

The warranty expires in any case after 6 months from the supply of the Product.

11 - Liability. Unless otherwise stated in our written acknowledgement of an order, the Seller does not guarantee the suitability of our products for the use to which they will be

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put by the Purchaser. In the absence of expressed agreement, the choice and testing of our products are incumbent on the placer of the order, the designer of the constructor, who are alone responsible for ensuring that the finished assembly is suitable for the purpose for which is intended.

Any technical assistance supplied by the Seller is for the purpose of fulfilling the obligation to advise and inform incumbent on any manufacturer concerned about the correct use of his products, but can under no circumstances be construed as making the Seller co-designer or co-constructor of the finished assembly in which the products are used.

The Seller declines any liability for possible damages procured to the third parties for the supplied Product. Particularly the Seller not accept any liability for damages direct or indirect in case of accident, loss or damage that should result in consequence of possession, handling, use and assembly of the Product by the Purchaser or by the other people, used whether alone or in combination with other materials and/or substances.

The Purchaser entirely assumes the attendant responsibility and will make sure that eventual damages are insured by an appropriate insurance company.

The Seller shall not be held responsible in any case for whatsoever violation of patent right, copyright or drawing resulting from the manufacturing of the Product, which is supplied to the Purchaser on their drawing and/or specification. The Seller shall be indemnified by the Purchaser in case of whatsoever claims due to eventual infringement.

12 – Sending documents. The inquiry and purchase orders of the purchasing Company should be sent only to PTM S.r.l.

13- Right of ownership. Any supplied Product will remain the property of the Seller until all payments are settled.

14 – Confidentiality. All the information, documents, specifications, and drawings originating from the Purchaser shall be treated with the maximum discretion by all of the Seller's personnel, and shall not be disclosed to third parties.

The documents supplied by the Seller such as the offers, order confirmations, specifications, diagrams, drawings, sketches, pencil drawing and other documents shall remain the intellectual property of the Seller and should be returned when requested at any moment, and can not be bound to different use other than those foreseen, nor be sent to third parties without written authorisation of the Seller.

15 - Jurisdiction / Applicable law. In absence of a settlement out of court, for whatsoever dispute the place of jurisdiction shall be the court of Torino in Italy.

Whatsoever dispute shall be subject to the Italian Law.

16 – Termination of the contract. The contract may be terminated automatically by the Seller should the Purchaser be declared in official receivership or liquidation of assets. The same shall apply in the event of a significant change in the Purchaser's legal position reducing its solvency. However, termination of the contract shall not affect receivables already due between the parties.

In the event of unilateral termination by the Purchaser for any reason whatsoever, the Seller reserves the right to take remedial action to obtain compensation for the loss and damage caused by this eviction. The corresponding compensation shall particularly take into account cost for rebuilding revenue, fixed costs for facilities which have been shut down and irrecoverable outstanding.