

GENERAL CONDITIONS OF SALE

ART. 1 PURPOSE AND SPHERE OF APPLICATION OF THESE GENERAL CONDITIONS – FORMATION OF THE CONTRACT

1.1 - The following general conditions of sale (hereinafter "General Conditions") govern all single purchases of products from WAIRCOM MBS S.p.A. (hereinafter "Waircom"), with the consequent annulment and substitution of any and all previous conditions. The Customer waives its own conditions of purchase, which do not become an element of the contract even for the effect of silence or supply on the part of Waircom. Possible complementary agreements or those that differ from these conditions of sale require written confirmation from Waircom for their validity. Should the supplies not be preceded by an order confirmation, the invoice or delivery note shall be considered as such, with the application of General Conditions.

1.2 - Single purchase contracts are finalized upon written acceptance of the Customer's order by Waircom

1.3 - The minimum shipping amount should be higher than Euro 300 (three hundred, only) net. Waircom reserves the possibility to hold the deliveries till the Customer reaches the settled minimum amount. Anyway Waircom reserves the right to accept every order; if it doesn't accept the order, or orders, or part of them, Waircom shall give written notice thereof within 7 (seven) days from the date of receipt of the order/orders. However, in the event that the conditions indicated in the Customer's order differ from those of the written confirmation from Waircom, the latter are intended as a new offer and the contract is understood to be finalized when the Customer commences its performance or accepts the products supplied at the above mentioned conditions without express written reservation.

ART. 2 EXCLUSIONS – PRICES – OFFERS

2.1 - Unless otherwise agreed upon in writing, the following are not included in the supply: the system project, the installation of equipment supplied, specific testing, manuals and training courses, assistance at start-up and all other services and charges that had not been agreed upon.

2.2 - The agreed upon prices are always intended as the list prices applied by Waircom on the day of the supply, unless a different written agreement has been reached on the formation of such prices. The first prices reported do not include VAT. Similarly, non-standard packaging costs, taxes, duties and all fiscal charges, present or future, inherent or consequent to the sale shall be paid exclusively by the Customer.

2.3 - Offers issued by Waircom are understood to refer to a specific sale; consequently, they cannot be extended to other sales of the same products unless otherwise specified in the offer itself. All offers issued by Waircom shall automatically be forfeited after 30 (thirty) days have elapsed from the date of their issuance.

2.4 - All products not included in the list prices shall be quoted separately and in writing and, in all cases, they are subject to that set forth under point 2.3 above.

2.5 - Waircom reserves the right to modify the list prices for the products. Such modification shall-if possible-be made at the beginning of each calendar year and communicated to the Customer 30 (thirty) days prior to the date on which they become affective. Any other modifications that might be necessary during the calendar year shall be subject to the same procedure.

ART. 3 TECHNICAL DATA, DRAWINGS AND DOCUMENTS RELATIVE TO THE SUPPLY

3.1 - The data and illustrations resulting from catalogues, schedules, circular letters or other illustrative documents are only of an indicative nature. They have no binding value unless expressly mentioned as such in the other confirmation or in the offer.

3.2 - Waircom reserves the right to make those modifications to its products that it deems necessary and advisable without being obliged to inform the Customer thereof.

3.3 - If the Customer proposes the modifications, which then become obligatory, the Parties must fully agree upon the variations that such modifications might cause to previously established prices and delivery periods.

3.4 - The Customer expressly undertakes not to utilize, for reasons other than those foreseen in the contract, the drawings, technical information and devices relative to the supply, which remain the property of Waircom and which the Customer cannot deliver or transmit, entirely or partially, in writing or orally to others, or reproduce without Waircom's prior written authorization.

ART. 4 PAYMENT CONDITIONS

4.1 - Conditions of sales and payment terms are the ones stated on the invoice and agreed in the offer, and are therefore to be considered as binding. Payments shall be made by the Customer to Waircom's operative headquarters or to the bank indicated by.

4.2 - In the event of non payment, or partial or delayed payment, interest in arrears will be calculated on all unpaid sums at the rate established by law, without prejudice to the other rights of Waircom, including that of suspending performance of the contract until full payment has been made. This is automatic, without need of notice thereof or placement in default.

4.3 - Any controversy that might arise between the parties does not release the Customer from the obligation to comply with the payment conditions and deadlines.

4.4 - In all cases, Waircom reserves the right – in addition to that set forth above – to claim compensation for any higher damages incurred.

ART. 5 TIME LIMITS AND CONDITIONS OF DELIVERY

5.1 - No guarantee is assumed for maintaining specific delivery deadlines. Any deadlines or days agreed upon for delivery have a purely indicative value and are calculated in working days. Waircom will however do all possible to comply with said delivery deadlines. In the event that delivery is made with delay in respect to the established deadlines the Customer shall not be entitled to indemnity, compensation for damages or cancellation to the order, unless Waircom is liable for gross negligence. The average delivery time foreseen for standard products is between 0 (zero) and 5 (five) working days. Partial deliveries are permitted.

5.2 - Unless otherwise agreed upon between the parties, delivery deadlines commence from the formation of the contract, provided the Customer does not have to make a partial or full advance payment of the agreed upon price: if so, the commencement of the deadline is suspended until such advanced payment has been made. Delivery deadlines are understood to be adequately extended by operation of law if the Customer does not supply the data or material necessary for the supply in due time, or requests variations during performance or, delays replying to the request for approval of the drawings or performance diagram.

5.3 - In the event of force majeure cases, as well as of strikes, lockouts, traffic jams, lack of material or other similar events that are unforeseeable or controllable with ordinary diligence that affect Waircom or its sub-suppliers, the commencement of the supply obligations for Waircom is to be considered suspended with the right for it to withdraw from the contract totally or partially. If the above are impediments of a temporary nature, Waircom is authorized to defer or anticipate the supply in the amount that such events would have affected the possibility to perform.

5.4 - In the event that the Customer does not accept the products delivered for facts imputable to it, or for reasons beyond the will of Waircom, the Customer will be liable for the risks and costs of keeping the products in custody.

ART. 6 SPECIAL TESTING

6.1 - Special testing possibly agreed upon shall be made at the Customer's expense at Waircom's facility.

6.2 - In the event that Waircom's order confirmation or other agreements reached between the parties foresee testing at the Customer's facility, this will be done within 30 (thirty) days from Customer's receipt of the products and in the presence of a representative of Waircom. When such 30 (thirty) day period has elapsed without the product having been tested, for any reason whatsoever, they shall be considered as accepted for all effects. Expenses for testing and the on-the-spot inspection relative thereto shall be entirely paid by the Customer.

ART. 7 SHIPMENT AND TRANSFER OF RISK

7.1 - All shipments, including returns, travel at the Customer's expense, charge and risk. The supply of products to the Customer, in the customary packaging utilized in the trade, is made "ex-works" Waircom – Vizzolo Predabissi (Milan) – Italy, pursuant to the Incoterms in effect when the order is confirmed. In the event that special packaging is requested, the relative costs will be debited to the Customer. The Customer makes the choice, organization and management of the shipment.

7.2 - The risk for the shipment is transferred to the Customer upon delivery to the carrier of the products, object of the shipment. Waircom does not assume any liability for damages and losses during the transport. Waircom, as supplier, has no obligation to insure the products.

7.3 - In the event that the shipment is delayed at Customer's request, the risk relative to the goods is transferred to the Customer from the day on which the products were ready for shipment. The Customer is liable for risks for damages from breakage, transport, theft and fire, from the day on which the goods were ready for delivery.

ART. 8 CANCELLATION OF ORDERS

The Customer cannot cancel orders without Waircom prior written authorization, following opportune verifications that exonerate Waircom from possible damages.

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ART. 9 RESERVATION OF OWNERSHIP

9.1 - The products sold remain the property of Waircom until entire payment of the relative price and the extinction of all other account receivable by Waircom from the Customer, regardless of where the products are located and even if they have been incorporated into assets of the Customers or of third parties. The Customer shall take all necessary measures to protect the right of ownership of the products in the country concerned.

9.2 - In the interest of Waircom, the Customer shall keep Waircom's products with reservation of ownership in favour of the latter in custody, free of charge and correctly, and provide for their adequate insurance coverage. The products cannot be encumbered with liens.

9.3 - In the event that the Customer resells products sold by Waircom, it shall transfer all accounts receivable, even future accounts receivable, from third party purchasers to Waircom, until all of its obligations towards the latter have been extinguished. Waircom is authorized to communicate such transfer at any time, at its indisputable judgment. The Customer is prohibited from assigning the above accounts receivable to third parties, or from encumbering them with liens.

9.4 - In the event that the Customer is in default of its obligations towards Waircom, or if circumstances become known that make Waircom accounts receivable appear to be at risk, the latter is entitled to immediately retake possession of the products with expenses, charges and risks at the charge of the Customer, who shall also be liable towards Waircom for damages caused by any decrease in value of the returned goods. Waircom right to claim compensation for higher damages remains unchanged.

ART. 10 GUARANTEE, LIABILITY AND DEFECTS

10.1 - Waircom guarantees its products for a period of 12 (twelve) months from the date of delivery for defects that appear within that time limit. In all cases, the guarantee is subject to presentation of copy of the sales invoice complete with the date of supply, the type and all identifying elements of the product. The guarantee is recognized only for proven manufacturing defects. For the validity of the guarantee it is indispensable that the product is used correctly in compliance with the best industrial and technical practice, together with the indications contained in the technical documentation issued by Waircom, or any directives of Waircom, and that contained in the manual "Instructions for Use", when foreseen. Defects due to natural wear-and-tear, tampering or incorrect use are excluded from the guarantee.

10.2 - Waircom is exclusively liable for the proper functioning of the products supplied, as regards the characteristics and performances expressly indicated. Instead, Waircom shall not assume any liability for possible defective functioning – but without limitation to – the machines, installations, equipment and/or systems implemented by the Customer or by third parties with Waircom products, even if the single products had been mounted or connected according to schemes or designs recommended by Waircom, unless such schemes or designs were the object of distinct and separate remuneration. If so, Waircom liability shall be restricted and limited to that included in the above mentioned designs or schemes, pursuant to that set forth in Art. 10.4 here below.

10.3 - Waircom shall not be liable in any way for damages, losses or higher costs in relation to or caused by the utilization or incapacity to utilize the product for any reason.

10.4 - Waircom shall honour the guarantee, at its indisputable choice, by making a substitutive supply or by eliminating the defects after the goods have been returned to the factory, or to another place that will be indicated, or by crediting the relative sum, limited to the maximum value of the single product supplied. Unless otherwise agreed, the Customer shall pay any additional cost incurred by Waircom for the repair, dismounting, installation and transport of the alleged defective product when it is located in a place other than that of the destination set forth in the contract or, in all cases, other than the place of delivery. Products that are returned under guarantee shall not be accepted unless previously authorized by Waircom. In all cases, obsolete products or those that are not new or those that are not in their original packaging, will not be accepted in return.

10.5 - Waircom guarantee obligation no longer exists when the products, or parts of them, have suffered during their warehousing or their incorrect manipulation or if interventions were made on them by the Customer or by third parties that were not authorized by Waircom. Waircom guarantee obligation no longer exists when the products, or parts of them, have received insufficient maintenance.

10.6 - Claims of defects must be sent in writing to Waircom within 8 (eight) days from their discovery. The claims of defects are taken into consideration only if proof is simultaneously given that the goods could not longer be used or that their usability had been considerably reduced before the risk set forth in Art. 7 above was transferred. Termination of the contract and reduction of the price are excluded.

10.7 - When the correction of the defect is unsuccessful: a) the Customer will be entitled to a reduction of the purchase price, in proportion to the reduction of the product's value, it being understood that such reduction cannot in any case exceed 15 (fifteen) percent of the purchase price; b) when the defect is so substantial that it deprives the Customer of its contractual advantage, the Customer can terminate the contract, notifying Waircom thereof in writing.

10.8 The Customer has the right to ask for an estimate for the reparations of those defects that appear after 12 (twelve) months from the date of delivery, and so no more under the guarantee obligation. The charge for this service is Euro 15 (fifteen, only) for each item regardless of the kind of the goods, except for special conditions pre-emptively agreed in written with the Customer. Once Waircom transmits the Customer the charge for the reparation, He will have the right to ask for it, paying the total cost (reparation plus estimate), or just paying the charge of the estimate as above mentioned, just receiving back the goods in the conditions that Waircom had to put it in order to make the estimate (i.e. not assembled).

10.9 - Other claims, such as reimbursement of costs for disassembling, dismounting and reassembling the installations, or reimbursement of directly or indirectly related costs to enable intervention on the allegedly defective product, or claims for compensation of damages for lack of production or reimbursement of the loss for lack of profit, as well as any or all indirect losses, are excluded. The present guarantee constitutes the sole and only guarantee granted by Waircom and it substitutes any other written or oral guarantee.

ART. 11 EXPRESS TERMINATION CLAUSE AND CONDITION FOR TERMINATION – CONVENTIONAL TERMINATION

11.1 - The supply contract will be terminated pursuant to Section 1456 of the Italian Civil Code ('C.C.') by a mere written declaration from Waircom when the Customer:

a) omits making payments due, or makes them with delay;

b) omits taking delivery of the products purchased within the agreed upon time limits, or does so with delay.

11.2 - The contract is also understood to be automatically terminated in the event of the Customer's insolvency, liquidation, or if the Customer is submitted to procedure for the relief of creditors and the alike.

11.3 - In the event that the Customer decreases the guarantees given or does not supply that which had been promised, Waircom shall be entitled to immediately withdraw from the contract.

ART. 12 DEFAULT – INDIRECT LOSSES

12.1 - Without prejudice to the other provisions of the General Conditions regarding suspension, each party will be entitled to suspend performance of its obligations when the other party is in default of one or more of its obligations, or when the circumstances indicate that the other party will not be in a position to perform its obligations. The party that suspends its performance shall immediately notify the other party thereof in writing. All time limits shall be suspended by operation of law and the performances will not be due until the latter party has remedied its default or given a suitable guarantee.

12.2 - Unless otherwise set forth in the General Conditions, no liability is foreseen against one party towards the other party for non production, loss of profit, loss of use, loss of contracts, or for any other indirect loss.

ART. 13 FINAL PROVISIONS

13.1 - Qualsiasi deroga alle disposizioni delle presenti condizioni generali di vendita dovrà essere convenuta tra le parti per iscritto: pertanto qualsiasi comportamento, anche ripetuto, delle parti e non corrispondente alle presenti condizioni non potrà pregiudicare il diritto di Waircom di chiedere in qualunque momento l'applicazione delle condizioni stesse.

13.2 - L'eventuale invalidità di singole clausole non incide sulla validità delle rimanenti. In questo caso la clausola invalida viene restituita da una valida che si avvicini il più possibile al contenuto anche economico della prima.

ART. 14 APPLICABLE LAW AND JURISDICTION

14.1 - All contracts stipulated with Waircom are understood to be finalized in Italy and shall be governed by Italian law. Italian is the official language.

14.2 - For any controversy that might arise regarding the interpretation and/or performance of the General Conditions and/or the relative contracts stipulated on the basis thereof, the Courts of Pavia (Italy) will have exclusive jurisdiction.

14.3 - Waircom, however, reserves the right, each time, to summon the Customer before any other court having jurisdiction.