

GENERAL CONDITIONS OF SALE

1. GENERAL PROVISIONS

1.1. These general conditions shall always apply unless otherwise specified in writing by both parties. Additional or different terms proposed by the Purchaser shall not apply, unless expressly accepted in writing by the Seller. In case of contradiction between these general conditions and any special conditions agreed upon between the parties, the special conditions shall prevail.

1.2. Any reference made to trade terms (such as Ex-Works, FOB, FCA, etc.) is intended to be made to the Incoterms of International Chamber of Commerce, as in force at the date of conclusion of this contract.

1.3. Orders placed by the Purchaser shall not be regarded as accepted unless these have been confirmed by the Seller in writing. If the Seller should fail to confirm an agreement in writing, which has entered into verbally, the Seller's invoice or the execution of the order by the Seller shall be regarded as confirmation.

2. DRAWING AND DESCRIPTIVE DOCUMENTS

2.1. The weights, dimensions, capacities, prices, performance ratings and other data included in catalogues, prospectuses, illustrated matter, price lists or similar documents, constitute an approximate guide. Such data shall not be binding unless otherwise specified in this contract.

3. SUPPORT INFORMATION

3.1. In order to favor the Purchaser, the Seller will utilize available sources, and make calculations and assumptions based thereon, to meet the Purchaser's requests regarding information pertaining to connections at terminal points of the Equipment as such points relate to design, construction and procurement of buildings, foundations, sill beams, vacuum pumps and piping. The Purchaser is fully responsible about the usage of such information and the consequences of such use shall remain of responsibility of the Purchaser.

4. SUBSEQUENT CHANGES

4.1. The Purchaser may request changes in the design, drawings and specifications, shipping instructions and shipment schedules of the Equipment. As promptly as practicable after receipt of written request, the Seller will inform the Purchaser of amendments to the terms and conditions of the contract (such as price, specifications, delivery schedule) that will be needed by the requested changes. Such changes will become effective upon the written acceptance by the Purchaser of the conditions proposed by the Seller.

4.2. The Seller reserves the right to make minor changes of design, construction or arrangement of the Equipment in the event such modifications should represent any improvement of the Equipment in respect to their original specification.

5. DELIVERY

5.1. Unless otherwise agreed in writing, delivery shall be Ex-Works Costruzioni Meccaniche Weingrill Ing. Zeno San Secondo Di Pinerolo premises. Unless special shipping instructions are received from the Purchaser before the shipment date, the Seller is hereby authorized to decide on behalf of the Purchaser as to the best means of shipment and routing in relation with the nature of the Equipment and their shipment schedule.

5.2. The delivery date has been set on the basis of prompt receipt of the Purchaser's approval of engineering assembly and installation drawings along with receipt of the Purchaser's decision on any engineering changes within 15 days after submission by the Seller. If the Purchaser's approvals and decisions are not received within the periods set forth above, the Seller may extend the delivery date.

5.3. Although the Seller will use all reasonable diligence to respect delivery deadlines, it shall not be liable for any loss, damage, expense or charge resulting from any delayed delivery of the Equipment to the Purchaser.

6. TRANSFER OF RISK

6.1. Unless otherwise agreed in writing, any risks related to the goods and their expenses (if any) pass to the Purchaser when goods are ready to be shipped (Ex-Works Costruzioni Meccaniche Weingrill Ing. Zeno San Secondo di Pinerolo) or in compliance with any other Incoterms term if the delivery is different from Ex-Works.

6.2. However, if the Purchaser refuses to take over the Equipment or fail to do so in due time, the risk (as well as the responsibility for any expenses relating to the Equipment) passes to the Purchaser when the goods are formally placed at their disposal.

6.3. If goods are not taken over and/or refused to be taken over in accordance with any agreement made in writing by both parties, the Purchaser is considered to be in default. In such a case, the Seller will inform the Purchaser, once again, about goods ready to be collected through a formal letter of notice (sent by registered letter, courier, telex or any other mean of communication ensuring evidence and date of receipt). Whereas the Purchaser should not take over goods within 60 days from the formal notice, the present Agreement is to be considered terminated and the Seller may be entitled to claim for liquidated damages equal to the value (price) of goods sold.

7. ASSEMBLY

7.1. Unless otherwise agreed in writing, the Equipment shall be assembled and started up by and at the expense of the Purchaser.

7.2. If the Seller's participation to the assembly works and/or start up is agreed, such participation will consist in the provision, at the Seller's regular rates, of technical personnel in order to advise the Purchaser, in quality of mechanical consultants, during the assembly and/or start-up of the Equipment. Such personnel will have no responsibility for the supervision of the workforce and/or the quality of the installation.

8. DRAWINGS AND MANUALS

8.1. The Seller will provide the Purchaser with operating and maintenance manuals along with electronic copies (raster format) of the assembly and foundation drawings for the Equipment (if applicable), which will show location and spaces requirements, floor openings, bolt holes and foundation loadings. The Seller will not supply detailed or construction drawings of the Equipment. All manuals and drawings will remain of the Seller's property and may not be reproduced, except for Purchaser's use, or transmitted or disclosed to third parties without the prior written consent of the Seller.

9. SAFETY DEVICES

9.1. The Equipment is designed and manufactured in accordance with the safety standards commonly in use in the paper industry and with Machinery Directive CEE 2006/42 and following release. If the Purchaser needs other or different guards or safety devices, they must request them to the Seller, who will supply them in accordance with article 4.1. If the Equipment has to be incorporated in finished systems or apparatus, it may not be started up until the system the component is installed in has been declared as conforming with Machinery Directive CEE 2006/42 and following release; in particular, any eventual additional safety devices in accessible areas are at Purchaser charge.

9.2. Since it is the Purchaser's responsibility to check if the safety devices provided by the Seller are adequate, hence the Purchaser will assume the exclusive liability for any injury to third parties arising out of insufficient safety devices. The Purchaser shall insure himself against such risk, in a manner as to exclude and relieve the Seller from any responsibility.

10. PATENTS

10.1. The Seller agrees to indemnify and hold the Purchaser harmless from and against claims, demands and suits based on allegations that the Equipment manufactured by the Seller constitutes an infringement of any patent, provided the Seller is given authority to defend the same and assistance for such defense.

10.2. The Seller does not assume liability for the use of Equipment or for the infringement of any method and/or process patent or for infringement of any patent covering articles manufactured or produced.

10.3. As to any machinery furnished by the Seller and manufactured in accordance with the design proposed by the Purchaser, the Purchaser agrees to indemnify the Seller against all claims, demands and suit brought against the Seller for any patent infringement.

11. SOFTWARE LICENSE

11.1. The Purchaser shall have a non-exclusive, non-transferable, royalty-free license to use any information processing program supplied with the Equipment. The Purchaser acknowledges that such program and the information contained therein is confidential and proprietary information of the Seller and agrees:

- not to copy or duplicate the program except for archival or security purposes;
- not to use such program on any other computer than the computer with which it is intended for;
- to limit access to the program to those of their employees who are requested to make use of the program.

11.2. The Purchaser agrees to execute and to be bound by the terms of any software license applicable to the Equipment.

12. GUARANTEE

12.1. Subject as hereinafter set out, the Seller undertakes to remedy any defect of the Equipment resulting from faulty materials or fabrication, provided that such defect is notified to the Seller within the guarantee period. The guarantee period is of 12 months from the date of delivery.

12.2. The Seller's liability shall apply only to defects that appear under normal conditions of operation and proper use. It does not cover defects arising from the Purchaser's faulty maintenance or assembly, or from alterations carried out without the Seller's consent in writing, or from repairs carried out improperly by the Purchaser, not does it cover normal deterioration. The Seller is not responsible for failures due to negligence, accident, abuse, improper storage or maintenance, or abnormal conditions of temperature, moisture, dirt or corrosion.

12.3. After having received from the Purchaser a written notification of the claimed defect, the Seller shall make the appropriate tests and inspections, and if the Equipment is found defective, the Seller will have the option to either repair or replace the defective parts. The costs of dismantling and installation of the Equipment as well the cost of transportation of Equipment which has been replaced, or repaired at the Seller's premises, are to be borne by the Purchaser.

13. PRICE OF THE EQUIPMENT – TAXES

13.1. Unless otherwise agreed, the price stated in this contract is to be considered as "fixed" and is not subject to escalation, provided delivery is not delayed by the Purchaser.

13.2. Any taxes, custom duties or charges imposed in the importing country shall be paid by the Purchaser, and if paid by the Seller, the Purchaser hereby agree to repay the Seller for the full amount thereof and at their first request.

14. PAYMENT

14.1. The Purchase shall pay the agreed price in accordance with the conditions of this agreement. Any delay or irregularity in the payment shall entitle the Seller to suspend the performance and the effect of this contract as well as the effect of any other contract between the parties.

14.2. In addition to the other remedies permitted under the governing law (article 17) and this General Conditions of Sale, the Seller reserves the right to recover default interests on delayed payments starting from the due date and calculated at the official reference rate of the European Central Bank increased by 7 basis points.

14.3. The ownership of the Equipment passes to the Purchaser when the agreed payments are fulfilled, but the Purchaser assumes any risks on the Equipment in accordance with article 6 (Transfer of risk).

15. FORCE MAJEURE

15.1. The Seller shall not be liable for any failure or delay in performance of its obligations nor be deemed to be in breach of this contract, if such failure or delay has arisen from "force majeure". Upon written notice by the Seller the deadlines for the fulfillment of contractual obligations shall be automatically extended for a period of time equal to the period of delay caused by the circumstances of force majeure plus delay reasonably incident to the resumption of normal production.

15.2. "Force majeure" means circumstances or conditions beyond the reasonable control of either party which make it substantially impossible to fulfil its obligations or which delay such fulfillment. Shall be in particular considered as circumstances of "force majeure": strike, non delivery of material by suppliers, war, insurrection, etc.

16. LIMITATION OF LIABILITY

16.1. The Seller's liability for damages is limited as follow:

- as concern damages arising from possible non-conformity (defects) of the Equipment, the Seller's liability is limited to repair and/or replace, under the terms and condition set forth in article 12 (Guarantee);
- as concern damages arising from late delivery, the Seller's liability is limited as set forth in article 5.3 (Delivery);
- the warranties set forth herein are exclusive and in lieu of all other warranties, express or implied by law or trade usage, including any implied warranties of merchantability or suitability for a particular purpose. The Seller shall not be liable for any incidental or consequential damages, including but not limited to loss of use or loss of anticipated profits, whether arising in contract, warranty, tort, product liability, or otherwise. In the event that any of the Seller's warranties fail to its essential purpose, or is retained to be invalid or unenforceable for any reason, the parties understand and agree that all Limitations of Liability for special, incidental, or consequential damages will remain in effect.

17. GOVERNING LAW

17.1. This contract shall be governed by the Italian law and in particular by the United Nations convention on contracts for the international sale of goods.

18. JURISDICTION

18.1. The competent courts of Turin (Italy) shall have exclusive jurisdiction in any controversy or claim arising out of or relating to this contract. However, the Seller is in any case entitled to bring its actions before the courts of the place where the Purchaser has their registered office.

19. FINAL PROVISIONS

19.1. In compliance with articles 1341 and 1342 of the Italian Civil Code, the Purchaser hereby specifically approves and accepts the following provisions: art.1 (General provisions), art. 5 (Delivery), art. 6 (Transfer of risk), art. 9.2 (Safety devices), art. 10 (Patents), art. 12 (Guarantee), art. 14 (Payment), art. 16 (Limitation of liability), art. 17 (Governing law), art. 18 (Jurisdiction).