

GENERAL CONDITIONS FOR ALL SALE CONTRACTS OF SPARE PARTS OF CMS S.P.A.

Art. 1.- Scope of application of the General conditions. Conclusion and entry into force of the Contract. Subject matter.

1.1. These General conditions of sale of spare parts (the "Conditions") form an integral part of each and every future contract entered into in written form or by using telecommunication systems (the "Contract") in respect of the supply by CMS S.p.A. (the "Seller") of the spare parts to any buying company (the "Buyer") indicated in the relating order confirmation of the Seller (the "Order Confirmation"). It is in any event understood that the Seller shall only assume obligations to sell vis-à-vis the Buyer at such time as the Seller and the Buyer have signed the Contract, and any and all prior communications from the Seller to the Buyer (including, by way of example, but not by way of limitation, any previous offers made by the Seller also by means of its website) are hereby expressly excluded; furthermore in the event of any discrepancy between these Conditions and the special conditions agreed in writing in each Contract, then the latter shall prevail. These Conditions shall remain in effect for an indefinite term and shall apply to all future Contracts between the parties; any general conditions of the Buyer and any other clause or condition - contained in any request or order of the Buyer - which in any way conflicts with these Conditions, are hereby excluded in each and every case. The foregoing is without prejudice to the terms of Art. 1.3 below.

1.2. The Contract shall be binding upon the parties as of such time as both parties have accepted it. The parties hereby acknowledge that the Contract may also be concluded between them in written form or by using telecommunication systems, by way of example, but not by way of limitation, by means of the Buyer placing its orders directly on the Seller's web site subject to registration and certified access of the Buyer, the procedure of which entails the express acceptance of these Conditions. It is understood that in the event of an order being placed via the internet, the contractual will of the Buyer and in general the Buyer's approval - even its specific approval - of the clauses of the Contract and of the Conditions shall be deemed to have been validly given by means of completion - for example, by means of using the so-called "point and click" mechanism, or similar or equivalent systems - of the relevant boxes for the purposes of placing the order on the Seller's website. In such case, the automatic registration systems or contractual forms used on the Seller's website shall be deemed as due evidence with regard to the nature and the date of the order and to the acceptance of the Conditions. To this end, the Buyer hereby agrees that the completion of the relevant forms on the Seller's web site (for example, by means of using the so-called "point and click" mechanism, or similar or equivalent systems) shall be deemed to validly bind the Buyer, even in relation to any requirements to expressly approve certain clauses and/or sign off certain clauses by way of specific approval, where required by the applicable law. With regard to the use of systems for the completion of forms on the Seller's websites such as, by way of example, in case of using the so-called "point and click", or similar or equivalent systems, the Buyer hereby acknowledges and irrevocably declares that - also in the light of the terms of art. 6.1 below in respect of personal codes and the powers of the individuals using the codes on behalf of the Buyer - that the approval of clauses of these Conditions shall be validly expressed by means of the above-mentioned systems, and the Buyer hereby irrevocably waives any objection in respect thereof. The foregoing is without prejudice to the terms of Art. 6 below. Where the Contract has not been entered into by using telecommunication systems and the Conditions have not been approved by using telecommunication systems pursuant to this art. 1.2., the Seller reserves the right (i) to perform the Contract only after the Buyer has delivered it a hard copy of these Conditions duly counter-signed by the Buyer by way of acceptance; or to (ii) to enforce its right to deem these Conditions as being approved by course of conduct following any act of performance of the Contract on the part of the Buyer, including by way of example, but not by way of limitation, taking delivery of the goods which are the subject matter of the Contract.

1.3. The parties hereby acknowledge that the Conditions shall remain in force, even in the event of a subsequent signing by means of telecommunication systems, of any new general conditions of sale, without prejudice to the following terms. In particular, the Conditions shall be deemed to cease to apply only in the event that the Seller sends a notice to the Buyer terminating the effectiveness of the Conditions and in which the Seller sets forth the new conditions that shall apply as between the parties by way of replacement of the Conditions.

1.4. The Seller shall serve the notice of termination of the effectiveness of the Conditions referred to in Art. 1.3 above (giving the Buyer at least 60 (sixty) days' notice of said termination of effectiveness) in accordance with the terms of Art. 7.2 below; in this regard, the parties hereby declare that the Seller shall be entitled to limit the effectiveness of the notice of termination even only to certain clauses of these Conditions, without terminating the effectiveness of the remaining clauses.

1.5. Without prejudice to the Seller's warranty obligations pursuant to Art. 4 below, it is in any event understood that the subject matter of the Contract shall consist exclusively in the supply of the goods indicated in the Contract itself with the exclusion of any other goods or services.

Art. 2.- Prices. Payments. Claims.

2.1. Unless otherwise indicated in writing by the Seller, the agreed prices shall be deemed for delivery Ex Works (Incoterms 2010), as well as fixed and invariable on part of the Seller.

2.2. The payments due from the Buyer shall be made at the Seller's place of business; it being understood that said payments shall only be deemed to have been made at such time as the relevant funds have been credited to the Seller's current account at the bank indicated by the Seller. Payments made to third parties shall not be accepted without the Seller's prior express agreement.

2.3. The unjustified delay in making payments on their contractual due dates, shall entitle the Seller - at its sole discretion and without prejudice to any other right on the part of the Seller arising from the failure to pay on the agreed due dates - to charge interest on late payments at a rate equal to EURIBOR over six months, calculated as of the original or extended due date of the payment, or at the different date as of which the above-mentioned interest is charged, and increased by a spread of 7 percentage points.

2.4. Any possible claim concerning the carrying out of the Contract or any other contractual relationship with the Seller shall not entitle the Buyer to suspend or delay payments. It is understood that in the event that payment hereunder is made on an instalment basis, should the Buyer fail to pay even a single instalment in accordance with the terms hereof, the Seller shall be entitled to declare that the Buyer has lost its right to pay on an instalment basis and to demand the immediate payment of all or part of the outstanding amount.

2.5. The Seller shall be entitled to suspend and/or terminate the Contract, upon simple request of the Seller and with immediate effect in the event that the Buyer a) fails to duly fulfil its obligations to pay the price in accordance with the terms hereof, or b) becomes subject to any form of

insolvency proceedings, or in the event that the assets of said other party change substantially so as to clearly endanger the ability of said other party to carry out its obligations hereunder.

2.6. In the event of any material breach by the Buyer of its obligations under the Contract, then, in addition to any rights that the Seller may have under the Contract, the Seller shall be entitled to retain, by way of liquidated damages, the advance payments made by the Buyer, without prejudice to the Seller's right to claim compensation for any further damages suffered.

Art. 3.- Terms of delivery. Delivery and packaging.

3.1. The delivery of the spare parts shall be carried out in accordance with the shipment schedule specifically agreed between the parties as indicated in the Order Confirmation. With regard to international sales, any reference in the Contract to commercial terms of delivery, for example "Ex Works", "FOB", "CIF" - shall be deemed to have the meanings ascribed to them in the version in force of the Incoterms of the International Chamber of Commerce ("Incoterms") as at the date the Contract is entered into.

3.2. It is understood that all risks shall pass to the Buyer in accordance with the agreed delivery term (it being understood that in the event that the Incoterms apply, then the risk shall pass in accordance with the terms of the particular Incoterm, whereas in all other cases all risks relating to the goods shall pass to the Buyer at the time of delivery, unless otherwise expressly agreed between the parties in writing).

The spare parts indicated in the particular order placed by the Buyer shall be delivered by the Seller to the Buyer appropriately packed should packaging be provided under the terms of the Contract or should the Seller, at its sole discretion, deem packaging to be appropriate in order to protect the goods. It is in any event understood that the Seller may not be held liable for inadequate packaging, unless it is expressly indicated in the Contract that the Seller is to provide a particular type of packaging and the Seller fails to do so. It is also agreed that any packaging expenses shall be borne solely by the Buyer. Packaging which the Buyer returns to the Seller shall not be accepted by the latter.

3.3. Unless otherwise expressly agreed, the spare parts shall be delivered Ex Works (Incoterms 2010). Unless otherwise agreed by the Seller in writing or provided by the terms of any Incoterm which may be applicable, the Buyer shall obtain insurance coverage in respect of the goods during the loading, transportation and unloading thereof; it being understood that the Seller does not accept any liability in relation thereto. Unless otherwise expressly provided by the terms of the Contract or by the terms of any Incoterm which may be applicable, the Seller shall be entitled to arrange transportation of the goods, at the Buyer's expense, by the means of transport which the Seller deems most appropriate.

Art. 4.- Warranty period.

4.1. With regard to any possible defectiveness in the supply hereunder, only a warranty in respect of mechanical and electrical defects in the spare parts shall apply and shall run for a period of 12 (twelve) months as of the date of shipment of the brand new goods supplied and for a period of 06 (six) months as of the date of shipment of the reconditioned goods supplied. It is understood that any possible replacement or repair of spare parts, in whole or in part, shall not imply any extension of the original warranty period.

4.2. The warranty consists in either the repair or replacement, at the Seller's sole discretion and at its expense, of the structural parts and other components of the spare parts which may prove to be broken or defective due to manufacturing defects. Unless specifically agreed between the parties, the parts which are to be replaced as per above shall be delivered Ex Works (Incoterms 2010).

4.3. The Seller shall replace or repair the defective parts in the shortest time possible, which shall be calculated on a case by case basis. The Seller shall have the right to request the Buyer to return the defective parts which have been replaced. In this latter event, if the Buyer fails to deliver to the Seller Ex Works the Seller's factory the parts to be replaced requested by the Seller as per the terms of this article, together with the documents requested by the Seller and in general with all the documents necessary for the shipment of the goods to the offices in Italy or in any other country indicated by the Seller (including, by way of example but not limited to, delivery notes, *pro-forma* invoices, copy of the return authorization and other transport documents), within 30 days from shipment from the Seller of the parts to be replaced, the Seller shall have the right to charge the Buyer the price of the replacement parts according to the price list stated in the order confirmation issued when goods were shipped. The Buyer shall pay the relevant price with payment at sight. The expenses for the return of the parts replaced shall be borne by the Buyer.

4.4. The warranty shall cover all the individual structural parts and other components of the spare parts, but it shall not cover the parts which are subject to normal wear and tear.

4.5. The warranty shall in any event lose any and all effect (i) should any modifications be made to the spare parts without the Seller's consent provided in writing; (ii) should the spare parts requested by the Buyer prove to be unsuitable for the purposes of being part of the machinery on which the Buyer has fitted them or should they not be functional for the particular purpose of the machine; or (iii) should the breakage of the spare part depend upon other parts of the machine on which the spare part has been fitted.

4.6. Any other damages, including any possible damages resulting from the lack of or a reduction in production, in addition to any indirect or consequential damages, and the right to terminate the Contract, are expressly excluded from the warranty.

4.7. Under no circumstances shall the Seller be liable for any damages of whatever nature arising out of the improper use, poor maintenance and/or generally any acts which are not in line with the maintenance and user instructions.

4.8. The warranty shall be subject to the Buyer duly informing the Seller in writing, within 8 days following the discovery of the particular defect or lack of quality, failing which the Buyer shall lose its rights under the warranty in respect thereof, and shall also be subject to the Buyer making an express request in writing to the Seller to provide assistance under the warranty.

4.9. This warranty shall exclude any other remedy in favour of the Buyer (including but not limited to any other warranty, legal or contractual).

Art. 5.- Liquidated damages which the Seller may be liable to pay.

5.1. It is understood that, in the event of non-performance or breaches on the part of the Seller of its obligations under the Contract, the Seller's liability shall not exceed an overall amount of Euro equal to 3% of the contractual price, save for any possible breach of the warranty obligations set

forth by Art. 4 above, in relation to which the maximum Seller's liability shall not exceed the value of the structural parts and/or broken or defective components in relation to which the Seller has not fulfilled its warranty obligations; in the event the parts or components in question may not be separated from the whole spare part to which they belong – in such a way as to make them unusable – the value in question will be that of the spare part. Said amount pre-determines the maximum compensation due, provided that the Buyer duly proves to have suffered damages as a result thereof and that such non-fulfillment are not of minor importance, and shall completely discharge the Seller from any liability (and any other remedy or liability to compensate in respect of any other damages is hereby expressly excluded), and, in any event, any possible liability on the part of the Seller for damages in respect of the lack of or a reduction in production, in addition to any indirect or consequential damages, is hereby excluded.

Art. 6.- Buyer's obligations

6.1. In order to enable the Buyer to place its orders via the internet, or in any event access certain sections of the Seller's web site, the Seller may issue the Buyer with a series of personalized identification codes ("the Identification Codes" such as, by way of example but not by way of limitation, a username and a password) which the Buyer shall insert as required in the relevant blank spaces on the Seller's web site. The Seller shall be entitled to subject the use by the Buyer of the Identification Codes to compliance with certain rules and practices relating to confidentiality that the Seller may indicate, at its sole discretion, and the Seller shall be entitled to update or amend the relevant confidentiality measures. It is naturally understood that the Seller shall not issue to any third parties identification codes which are identical to the Identification Codes; it is further understood that the Seller shall be entitled, at its sole discretion, to replace or deactivate the Identification Codes at any time, without this giving rise to any possibly liability vis-à-vis the Buyer. The Buyer hereby declares and warrants, also on behalf of its own staff which may be employed from time to time, that the Identification Codes shall be treated with the highest degree of confidentiality (and, in any event, a degree of confidentiality that is not lower than that used by the Buyer for its own confidential information) and that the Identification Codes shall only be disclosed to such of the Buyer's managers and/or staff who require access to the Seller's web site so that the Buyer may place orders with the Seller; it is naturally understood that the Buyer shall keep the Seller updated and informed in a timely manner as regards the termination of any employment relationship between the Buyer and any of its managers or staff who know the Identification Codes. In the light of the above, the Buyer hereby declares and accepts that any order that is placed via the internet using the Identification Codes shall be deemed to have been made by Buyer's officers duly bestowed with the necessary powers for the purposes of validly carrying out the order on behalf of the Buyer, which therefore hereby undertakes to fulfil its obligations in relation to said order, irrevocably waiving all of its rights of objection with regard to the existence of said powers.

6.2. Without prejudice to the terms of Art. 6.1. above, the Buyer shall in any event be bound to observe the highest degree of confidentiality and not make any use, even after the Contract has been performed or terminated, as the case may be, of any information of a technical or commercial nature (such as, by way of example only, drawings, tables, documentation, formulae, catalogues, instruction manuals, 'Frequently Asked Questions', product codes, price lists and correspondence, hereinafter referred to as the "Information") received from the Seller or in any event learnt during the performance of the Contract or during the placing of orders via the internet and/or during access - using the Identification Codes - to those parts of the Seller's web site that are accessible only by means of said Identification Codes. Communication by the Buyer to a third party of one or more pieces of Information shall only be permitted with the prior consent of the Seller, which shall be given on a case by case basis and in accordance with the terms of Art. 7.2 below.

In any event, the Buyer acknowledges and accepts that the Information on the Seller's web site, just as any possible indications in respect of the availability/non-availability (be it temporary or permanent) of spare parts, is meant for guidance purposes only and further acknowledges and accepts that the Seller shall not be held liable in relation to any possible errors or omissions relating to said Information/indications.

6.3 It is understood that access to the Information shall not confer any rights upon the Buyer in relation thereto and thus any possible assignment of rights in the Information, by way of licence or any other means, is expressly excluded, unless otherwise agreed in writing by the Seller from time to time.

6.4. In the light of the above-mentioned Arts. 6.2 and 6.3, the Buyer undertakes not to copy, disclose, or use the Information in any way for the purposes of carrying out or causing to be carried out any activity that may be in competition - even potentially - with the Seller's activity (even following the end of or termination of the Buyer's contractual relationship with the Seller) be it directly or indirectly, by the Buyer itself, or by means of and/or on behalf of third parties; in this regard, the Buyer hereby acknowledges and declares that it is fully aware that any violation of the obligations provided by this Art. 6.4 amount to conduct punishable under criminal law.

6.5. The Buyer shall timely provide the Seller with all the information that the latter may require for the purposes of fulfilling the legal obligations relating to the supply of spare parts (by way of example, but not by way of limitation, with reference to the so-called "dual use" regulations, namely to the goods that may be used both for civil and military purposes).

6.6 Spare parts supplied, even if purchased on the basis of CMS advice, are always the exclusive and the free choice of the purchaser. CMS rejects any possible direct or indirect responsibility coming from the correctness or congruity of the purchased components. Spare parts orders are accepted by CMS with its related order confirmation. After the order confirmation delivery, the orders sent to CMS cannot be write off or modified unilaterally by the buyer. Without an explicit agreement with CMS, the order will be valid as reported in the CMS order confirmation. The items relating to the order will be ship to the address and in the times indicated in the order confirmation, or later, as soon as the material will be available at CMS. CMS does not allow the return of the material supplied. CMS reserves the right to assess any exceptions at its discretion; the request must be sent no later than the 20th day from the date of the delivery of the goods. CMS will not accept the return of any material without its own explicit prior authorization. The following categories of components will always be excluded from the evaluation of the possible return: bearings, belts, seals, carpets, cables, electronic components, electrical components, all the services delivered with the supply (as example: calibrations, configuration, pre- assemblies, etc.) and all the items that have a net unit sales price of less than € 20. The returned material must be intact, in its original packaging and never used (not even for diagnostic purposes). The final acceptance of the material will be subject to check upon received in CMS plant. For the items accepted by CMS, a credit note will be issued for an amount equal to the sale price reduced by 25% as a re-stock fee.O.

6.7. The Buyer hereby declares and warrants compliance with the terms of this Art. 6 by the Buyer itself, as well as by members of its staff employed by the Buyer from time to time, in addition to the Buyer's shareholders.

6.8. The Buyer hereby undertakes to indemnify and hold harmless the Seller from and against any and all damages suffered by the Seller as a result of any possible violation of the terms of this Art. 6.

Art. 7.- Miscellaneous (Force majeure. Notices. Taxes and duties. No assignment of the Contract. Assignment of credits. Written Form)

7.1. Force majeure shall mean any act or event which is unforeseeable, beyond the parties' will or control and in respect of which a remedy may not be found in a timely manner (such as, for example, acts of war, even if undeclared, embargo, riot, epidemics, fire, sabotage, natural disaster, acts or provisions of government authorities, inability to procure raw materials, energy, labour or transport). Upon the occurrence of any event of force majeure which is such as to prevent either party hereto from fulfilling its obligations hereunder, then the time for the party so affected to fulfil its obligations shall be automatically extended for a period corresponding to the duration of the event of force majeure, without any damages (including liquidated damages) being payable by said party, save for the Buyer's obligation to pay the amounts due by way of the price, in respect of which the contractually agreed due dates shall remain in full force and effect.

7.2. All notices relating to the Contract shall be in writing (this term being deemed to include e-mail, telefax, use of automatic electronic systems or contractual forms displayed on the Seller's website and prepared for this purpose).

7.3. All taxes, duties, levies and charges (including any administrative charges) of the same nature, be they present or future, (including, by way of example, any tax which may be due in the Buyer's country in relation to the registration of the Contract) shall be borne by the Buyer, who shall pay the Seller, if needs be, any such sum and shall not be entitled to the return thereof. The Buyer shall provide for all the authorizations that may be necessary, according to the currency law applicable in its own country, in order to duly fulfil the payment conditions set forth in the Contract. It is understood that the effectiveness of the Contract shall not remain suspended in relation to the foregoing.

7.4. Neither party hereto may assign the Contract without the prior written consent of the other party hereto. Nevertheless, it is understood that the Seller shall be entitled to assign, in whole or in part, to third parties its credit relating to the payment of the sums due from the Buyer hereunder, without having to obtain the Buyer's consent thereto. In the event that said assignment is made on a without recourse basis, the Buyer hereby waives any right to offset the Seller's credits arising out of this Contract against any possible debts which the Seller may have vis-à-vis the Buyer.

7.5 The Seller is obliged to comply and enforce compliance with the measures of the European Union (as well as of Italy) concerning exports to Russia. Consequently, the Buyer undertakes not to export to Russia, or for use in Russia, goods that are subject to the sanctions of the European Union. In the event of an infringement, the Seller shall be entitled to apply any remedy permitted by applicable law regarding material breaches.

7.6 In any event, the Buyer hereby undertakes to indemnify and hold the Seller harmless from any recourses, prejudices, damages, liabilities, charges or expenses in connection with any claims and/or demands and/or actions brought against the Seller by any authority in the event of transfer of the goods or parts thereof to countries subject to international sanctions.

7.7 The Contract supersedes any and all prior agreements between the parties, be they oral or in writing, with regard to the subject matter hereof and the terms hereof may only be amended in writing.

Art. 8.- Arbitration Clause and Governing Law

8.1. Any and all disputes between the parties which may arise in relation to the present Conditions and / or the Contract shall be settled in an amicable manner by means of negotiations between the parties held in good faith; in the event that it is not possible to reach an amicable settlement within a reasonable period of time, then any such dispute shall be settled exclusively and finally in accordance with the Rules of Arbitration of Bergamo Chamber of Commerce by a board of 3 (three) arbitrators appointed in accordance with said rules. The place of arbitration shall be Bergamo, Italy. The arbitration proceedings shall be conducted in the language of the present Conditions.

8.2. By way of partial exception to the foregoing, the Seller shall be entitled to initiate legal proceedings before the courts of the location of the Seller's registered offices or before the courts of the location of the Buyer's registered offices or any other courts which have jurisdiction vis-à-vis the Buyer, both for urgent and/or precautionary injunction or relief (including, by way of example, actions for the enforcement of the warranties relating to the Contract), and for trial/ordinary judgment, upon the condition however that, in the latter case, the Buyer has not previously initiated arbitration proceedings. The possible invalidity of this article 8.2 shall in no way affect the validity of article 8.1 above.

8.3. This Contract shall be governed by Italian law (subsequently, the United Nations Convention on contracts for the international sale of goods signed in Vienna on 11th April 1980 shall apply, save to the extent materially varied by the terms of this Contract).

Art. 9.- Informative note in respect of the treatment of personal data

9.1 For the purposes of the Italian regulations with regard to the handling and/or use of personal data, the Seller hereby informs the Buyer that the personal data (personal details, fiscal and financial details) relating to the legal entities which enter into a relationship with the Seller, in addition to the personal details of the individuals which act on their behalf, are collected, recorded, re-ordered, memorised and processed for administrative/accounting purposes. In particular, such purposes relate to the following activities: the management of orders and invoices; the conclusion of possible agreements (including agreements for the purposes of insuring the Seller's credit vis-à-vis the Buyer and agreements relating to the assignment of said credit); the management of suppliers; the carrying out of contractual obligations and other obligations provided by law. The above-mentioned data may be communicated to third parties in relation to the purposes for which they have been acquired and collected. Any further information concerning the handling and/or use of the above-mentioned personal data by the Seller is available on the Seller's web site, www.scmgroupspareparts.com; the Buyer declares that it has been made fully aware of said information prior to entering into this Contract.

9.2 The terms of this Art. 9 shall be deemed as a valid informative note for the purposes of and pursuant to the above-mentioned regulations and the Buyer hereby declares that it agrees to the handling and/or use of the above data by the Seller for all purposes provided by law. The Buyer further declares that it is fully aware of the text of Art. 7 of Legislative Decree no. 196/2003 (which text is also available on the Seller's web site, www.cms.it in relation to "the rights of the interested party".

Date: .../.../.....

the Seller

the Buyer

The Buyer specifically approves the clauses contained in the above articles: Art. 1 (Scope of application of the General conditions and notice of termination. Conclusion and entry into force of the Contract and of the Conditions. Conclusion of the Contract by using telecommunication systems. Subject matter) Art. 2 (Price. Payment of the price. Claims. Interests. Loss of the right to pay on an instalment basis. Suspension. Termination. Liquidated damages); Art. 3 (Terms of delivery. Insurance); Art. 4 (Warranty period, terms of return of the products, terms of warranty and limitation of liability, terms for and exclusion of further remedies); Art. 5 (Liquidated damages which the Seller may be liable to pay and limitation of liability); Art. 6 (Buyer's obligations. Use of the Identification Codes. Confidentiality. Exclusion of liability in respect of Information and indications on the Seller's web site. No competition. Undertaking with regard to staff and shareholders. Undertaking to indemnify and hold the Seller harmless); Art. 7 (Force majeure. Taxes and duties. No assignment of the Contract. Assignment of credits. No right to offset. Written form); Art. 8 (Governing law. Competent court/Arbitration); Art. 9 (Informative note in respect of the treatment of personal data).

The Buyer
