

Introduction

The following shall be regarded as the general terms of sale between Parker Hiross S.p.A. (Seller) and Purchaser. None of these terms may be added to, modified, superseded or otherwise altered by Purchaser, unless specifically agreed to, in writing and signed, by Seller. These terms shall, accordingly, supersede and modify any terms that may be contained in any letter or other from Purchaser. They also supersede any oral representations made by either party in connection with the transaction.

Validity

These General Terms of Sales cancels and supersedes all previous General Terms of Sales. Prices are valid starting from the date indicated in the Price List. These General Terms of Sale are valid until written notice to the contrary, or the emission of new General Terms of Sale, or June 30th of the year to which it refers, whichever comes first. Technical data contained in the Master Price List is to be considered as indicative only. The manufacturer reserves the right to modify technical data at its own discretion and without prior notice.

Quotation

Seller has the right, at any time and even after the order, to make alterations to, or withdraw (prior to order confirmation), its offers. Prices quoted shall always be regarded as indicative only.

Acceptance of order

Orders shall be regarded as accepted by Seller only after issuing the respective order confirmation. Seller's charges for cancelling booked and confirmed orders shall range up to 100% of the net order value, depending on completeness of the equipment and its reclamation value. Minimum accepted value for an individual order shall be Euro 200, or the equivalent in other currencies. Orders for lower values will be subject to a Euro 100 (or the equivalent in other currencies) order processing charge.

Price

Price shall be as stipulated in the order confirmation. All non Euro prices are nonetheless calculated from the Euro price, and then rounded to the nearest full digit. As a result there may be a minor difference between the listed and invoiced prices. In the event no price is stipulated, equipment shall be charged at Seller's prevailing Price list. Unless otherwise agreed, in writing, price shall be ex Seller's factory, with standard packing. Seller reserves the right to modify prices at the confirmation of the order to Purchaser. If the confirmed price increase exceeds 5 (five) percentage points, Purchaser has the right to withdraw from the contract, upon written notice addressed to Seller within 2 (two) days from the date of the receipt of the communication concerning the price adjustment. Upon the expiration of such term, or with the acceptance of the goods' delivery by Purchaser, the adjustment is deemed to be accepted and binding between the parties. The Price shall be valid for delivery as per the date agreed in the order confirmation. If Purchaser requests (in writing) any delay in shipping of the equipment, Seller will reserve the right to revise the price. Changes to booked and confirmed orders shall be subject to a minimum net service charge corresponding to Euro 100 (or the equivalent in other currencies), to cover changes in documents. This charge may be increased, depending on order status and nature of requested modification.

Delivery

The delivery date shall be as indicated in the order confirmation. The delivery terms, indicated in the order confirmation, are to be considered as part of this General Terms of Sale. Acceptance of shipment by a common carrier or allocation of equipment to Purchaser shall constitute delivery. Thereupon responsibility shall pass to Purchaser, subject to Seller's right of stoppage in transit. Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at time of contract. If no trade term is specifically agreed delivery shall be considered to be Ex Works. Unless expressly specified in the INCOTERMS, goods in transit always travel at Purchaser's risk. Purchaser will bear all costs involved in removing the goods from Seller's premises. Delivery of all or any part of the order is contingent upon Seller's ability to obtain supplies, raw materials and service through its regular sources of supply. Should Seller, temporarily or permanently, be unable to deliver the products for reasons not imputable to the same such as *force majeure*, (e.g. earthquake, strikes, lockout, lack of means of transportation, authority ordinance, floods, etc.) it will be released from all delivery and indemnification obligations towards Purchaser for the entire duration of the period in which the impediment and its effects last. Upon the occurrence of such impediment, Seller will promptly inform Purchaser thereof. In the aforesaid cases, delays in delivery shall not give any right to Purchaser to claim for damages or to cancel the order. Delivery time shall commence from the date of the order confirmation, but not before Seller having received, from Purchaser, all necessary drawings and approvals, if any, or down payment. Partial deliveries shall not be refused by Purchaser and will be paid for at contract prices and terms. If the delay, not caused by an event of *force majeure*, exceeds 90 (ninety) days, Purchaser will be allowed to cancel the outstanding part of the order. Each party may terminate the purchase agreement in the event that its effects, due to events mentioned above, becomes excessively onerous and therefore the contract is no longer of interest for such party. If Seller performs the installation of goods, Purchaser will have to take care of and preserve the delivered goods, until the completion of installation. Purchaser shall pick up the purchased products at the dates agreed, unless otherwise agreed between the parties. Purchaser's requests in this regard shall be taken into consideration by Seller, provided that Purchaser has made its request at least 30 (thirty) days before the original delivery date. If Purchaser does not pick up the purchased goods at the agreed date, Seller will have the right to invoice and receive payment for any equipment not picked up. The costs of storage will be born by Purchaser.

Reserve of property

All goods supplied shall remain property of Seller until such time as full payment will have been received from Purchaser in settlement of all pertaining Seller's invoices. Cheques and bills of exchange issued by Purchaser will be considered as payment only after having been cashed by Seller's bank.

Claims and complains

Purchaser shall inspect the delivered goods and notify Seller, in writing and within 8 (eight) days from the delivery date, of defects found or that may be found upon a preliminary inspection, or any other claim related to the goods. Should Purchaser fail to make such notification, the goods shall be deemed as definitely accepted and in compliance with what set forth in the contract, without being prejudicial to the possibility to report any hidden defect, assuming this is within the warranty period; in any case the notification of the defects must be communicated within 8 (eight) days from the discovery thereof. If the received goods have been damaged during transit, Purchaser will have to highlight this on the C.M.R. or on the Delivery note. Expenses related to the shipment of any eventual returns shall be borne by Purchaser. Possible objections concerning part of the goods delivered, or a single shipment of the same, shall have no effect on the rest of the order, nor on the payment of goods already received and not promptly challenged.

Payment

Payment shall be upon those terms agreed to by Purchaser and Seller. In the event there is no agreement, payment shall be by Cash in Advance. Failure by Purchaser to effect payment at due date will result in Seller cancelling all express warranties, notwithstanding taking recourse to remedies provided by the law. In case of delayed payment, Purchaser will automatically be charged interest calculated pursuant to the Italian decree no. 231/2002, without the need for any notice of default. In the instance of equipment held subject to Purchaser's instructions, equipment for which Purchaser has failed to supply shipping instructions, or in any case where Seller, in its own sole discretion, determines any part of the equipment purchased by Purchaser should be held for Purchaser's account, Seller may invoice the equipment and Purchaser agrees to make payment at the maturity of the invoice so rendered. Equipment invoiced held at any location, for whatever reason, shall be at Purchaser's risk and Seller may charge for insurance and storage at prevailing rates.

Resolution of contract

The terms of payment are fundamental elements, and any default in payments or any unilateral change constitutes the right of withdrawal for Seller to stop deliveries and consider any supply agreement as rescinded without notice, intimation or other. The same is valid for Seller in the event of changes in the economic-property conditions of Purchaser (Art. 1461 C.C.)

Drawings and installation details

Drawings, models and instructions for the installation of equipment supplied are the exclusive property of Seller; Purchaser cannot pass these to any third party. Seller shall not warrant the correctness of drawings which have not been certified by Seller. Certified drawings shall only be available upon written request from Purchaser, and shall be charged at a price to be agreed upon. Seller reserves the right to, at any time prior to delivery of certified drawings to Purchaser, make any changes in model or design of equipment, including components thereof.

Warranty

Seller warrants to Purchaser all equipment to be free from defects in material and workmanship for a period not exceeding 1 year from the date of installation of the equipment, but for a maximum of 18 months from the shipping date. This obligation is limited to repairing and replacing, at Seller's factory, any part found faulty during said period, with the following limitations:

a) Warranty is effective only if equipment has been installed, commissioned and maintained in accordance with Seller's instructions (Hiross User Manual) and, where necessary, connected to adequate electric, water and drain services, cleaned out correctly and placed into operation by a qualified technician. All dryers must be fitted with adequate pre-filtration upstream of the dryer itself; Seller is excluded any obligation of compensation or refund for any direct or indirect damage caused by its absence.

The effects of erosion, corrosion and normal wear-and-tear are specifically excluded from this warranty.

b) Seller reserves the right to, for specific products (including, but not limited to, Quasar and LCD dryers) grant warranty terms only on the condition that Commissioning has been performed by Seller's Service personnel or, failing this, Service personnel authorised by Seller beforehand. In the latter case the relevant Commissioning Report must be compiled by the authorised Service personnel and sent to Seller. Failure to adhere to this procedure will result in loss of warranty.

c) Seller reserves the right to replace a product under warranty, and will accept no costs as to the removal and installation of the products.

d) Seller reserves the right to change or improve the design of its products without assuming any obligation to modify any product previously manufactured.

e) Poor maintenance or improper use will result in loss of warranty.

f) Seller shall not assume responsibility for any labour expenses incurred by Purchaser in replacing or changing defective parts or equipment covered by this warranty.

g) This warranty is granted to original Purchaser only and cannot be transferred, unless authorised in writing by Seller. Purchaser shall notify Seller of a defect within maximum 8 (eight) days from the discovery thereof, and in no case later than 8 (eight) days after expiry of the above stated warranty. Purchaser will notify fault by filling out the "Passport", as distributed by Seller.

Any claims against this warranty must be substantiated at the time the fault arises, and it will be at Seller's discretion to:

h) Supply replacement parts ex-works Seller's factory,

or ii) Repair parts locally, with travel/living/labour expenses at Purchaser's charge.

or iii) authorise Purchaser to have components repaired locally,

or iv) authorise Purchaser to buy replacement parts locally,

or v) require Purchaser to return damaged parts to Seller, prepaid, for repairs.

Seller has the right to ask for components, claimed as being faulty, to be returned to its factory, transport prepaid, for inspection, or to request Purchaser to keep these parts in stock for eventual inspection by Seller's representative. Seller is not obliged to make any guarantee payments before having had the opportunity to verify said claim in either manner described above. Any requests from Purchaser founded on the warranty clause or on asserted non-fulfilment thereof on the part of Seller or others shall not in any manner authorise Purchaser to delay or modify the agreed payment terms.

Warranty waiver

This is a written agreement between Seller and Purchaser, representing an alternative to the Warranty described previously. Should this agreement exist, Seller will grant Purchaser a 2% discount (included in the discount communicated by Seller to Purchaser) on the price of the products; in exchange Purchaser accepts to take over all costs which, according to the previous chapter, should be covered by Seller. QSR and LCD dryers, and eventually special products not listed in the present Master Price List, do not fall under the warranty waiver agreement, remaining with the previously described warranty. These costs include (but are not limited to):

a) Costs arising from machine break down or malfunctioning due to faulty components (i.e. electrical defects on compressors, faulty pressure switches, defective control panels, etc.)

b) Costs resulting from repair of isolated faults, not detected during quality controls, or any related secondary damage (i.e. incorrect wiring, leaks, etc.).

The only costs to be considered not covered by Warranty Waiver discount are the costs connected to rectifying clear defects resulting from design faults in equipment, as shown by recurring defect patterns on an international scale. In this case Seller will recognize to Purchaser the cost Ex Works of the faulty component, plus the labour cost to repair the equipment. Seller will evaluate the labour cost on a case-by-case basis.

Liability for damage to property or other caused by goods

Purchaser shall indemnify and hold Seller harmless for any damage caused by equipment to:

a) any (movable or immovable) property, where damage occurs while equipment is in Purchaser's possession, or

b) products manufactured by Purchaser, or products of which Purchaser's products form a part, or for loss or damage to any property, where damage is caused by these products because of properties in the equipment.

Seller shall under no circumstances be liable for loss of production, loss of profit, or any other consequential economic loss. The above is valid both within and after the warranty period.

Invalidity of provisions

If any of these terms shall be held invalid, illegal or unenforceable, the validity of remaining provisions shall not in any way be affected or impaired thereby.

Individual contracts

For all individual contracts stipulated between Seller and Purchaser, any terms within these General Terms of Sale which are not covered in the individual contract will remain valid.

Privilege

Seller reserves the faculty to, in case of extended payment (even partial), make use of the right of privilege (art. 2762 C.C.). The right of privilege maintains its full validity even in the event of a change in the agreed payment conditions or concessions or extension, given that these events, under explicit agreement of Purchaser, do not constitute an extension of credit, with the present terms of sale remaining unchanged. In any case, the effects of Purchaser do not affect the credit situation and are reserved and accepted for cash convenience and without any prejudice of Seller's rights.

Intellectual property

Trademarks, commercial names or other distinctive marks on the goods are of exclusive property of Seller, and will not be altered, changed, removed or cancelled in any manner. Purchaser can use, to the limited purpose of resale of the goods to the public, the trademarks, commercial names and other distinctive marks, as well as other industrial exclusive rights or Know-how associated with the goods, which nonetheless remain the exclusive property of Seller. Any other utilization of the Intellectual Property, if not expressly granted by Seller in writing, will be considered a violation of the aforementioned exclusive rights of Seller, also under the profile of the contractual responsibility, and will be prosecuted.

Confidentiality

These Conditions, all Orders and any other information or material supplied by (or on behalf of) one party to the other are strictly confidential and will not be disclosed (in whole or in part) to any other person without the disclosing party's prior written consent. The receiving party will not make use of the disclosing party's name, or any other information contained in these Conditions (or supplied pursuant to them), for publicity purposes without the disclosing party's prior written consent.

Privacy

Purchaser declares to be aware that all data communicated will be handled and utilized ex D. Lgs. 196/2003, according to what better specified in the *a latere* agreement of the sales contract.

Disputes

All disputes arising from or in connection to the contract shall be judged according to Italian law. The Court of Padua (Italy) shall have the exclusive jurisdiction.