

STANDARD TERMS and CONDITIONS FOR THE SALE of GOODS

1.- INTERPRETATION

In these Conditions:

- a.- "BUYER" means the person whose order of the Goods is accepted by the Seller.
- b.- "GOODS" means the goods or any part of them which the Seller is to supply in accordance with these Conditions.
- c.- "SELLER" means Walvoil Spa registered in Reggio Emilia, Italy.
- d.- "CONDITIONS" means the standard terms and conditions of sale set out in this document and has to include any special terms and conditions agreed in writing between the Buyer and the Seller.
- e.- "CONTRACT" means the contract for the purchase and sale of the Goods f.- "CONFIDENTIAL INFORMATION" means reports; drawings; documents; technical, scientific and commercial data and any other information marked "confidential" supplied by one party to the other.

2.- LITERATURE – OFFERS

2a.- Any kind of literature (including catalogues, booklets and brochures showing technical characteristics of the Goods, offers, estimates or other similar documents) supplied by the Seller to the Buyer shall be considered as an invitation to treat under the present Conditions and other special conditions the parties may agree upon, and shall represent a support to the Buyer who wants to express his intention to treat.

2b.- The content of the aforesaid literature concerning technical characteristics (including catalogues, booklets and brochures showing technical characteristics of the Goods, offers, estimates or other similar documents) is merely indicative. As a consequence it shall not be considered binding on the Seller, unless the Contract otherwise provides.

2c.- The sale terms in the aforesaid literature (including catalogues, booklets and brochures showing technical characteristics of the Goods, offers, estimates or other similar documents) shall be considered valid only for the period therein indicated. After the said period, the sale terms could be unilaterally modified by the Seller.

2d.- Any kind of technical and commercial information (including price list and allowance) contained in the aforesaid literature supplied in any way from the Seller to the Buyer, (including catalogues, booklets and brochures showing technical characteristics of the Goods, offers, estimates or other similar documents) shall be considered as confidential and shall not be disclosed by the Buyer to any person without the prior written consent of the Seller. The Buyer shall keep the Confidential Information strictly secret, and shall not make any use thereof except for the purpose of complying with the Contract.

2e.- During negotiation the parties shall act bona fide.

3.- ORDERS and SPECIFICATIONS (Technical changes)

3a- Orders by the Buyer shall be considered always under the present Conditions insofar as they are knowable by the Buyer. In any case, the Buyer's signature below the present Conditions implies that each Contract shall be governed by the Standard Terms and Conditions for the Sale of the Goods unless the parties otherwise specifically agree in writing.

3b- No order submitted by the Buyer shall be deemed to be accepted unless and until confirmed in writing by the Seller.

3c- Orders by the Buyer and relative confirmations by the Seller shall be communicated using the ordinary means of communication (facsimile transmission, e-mail and comparable means of communication).

3d- Any change to the Seller's confirmation of the order, including notification by the Seller concerning the new current price list, shall imply a different negotiation between the parties.

3e- The Seller has the right, at any time, to make technical changes which are necessary to modify the Goods in accordance with their specific use and with the Buyer's requirements and expectations.

3f- If the Buyer asks for specific technical changes to the standard patterns of the Goods supplied by the Seller, the parties shall agree in writing upon: (i) the kind of technical change required; (ii) the related price; (iii) the term of delivery of the Goods.

3g- An "open order" is an order which concerns a series of variable supplies to be delivered within a contractual period of time. When an "open order" is accepted by the Seller, no technical change required by the Buyer during the execution of the order shall be made, except with the agreement in writing of the Seller (as stated above-clause 3f.-) after verification of the necessary conditions to deal with the required changes (such as: available supplies of technical components).

3h.- The parties shall agree how to dispose the surplus of technical components purchased by the Seller to meet the Buyer's requirements.

4.- DELIVERY

4a- Time for delivery indicated in the confirmation of the order or otherwise accepted by the Seller shall not be of essence of the Contract unless stated in writing by both parties. Any dates quoted for delivery of the Goods are approximate only and shall not bind the Seller. Therefore, the seller will be obliged to fulfill within a time which, although not accordant with the term, is considered according to rules of fairness and good faith and respecting the objective expectations of performance that the parties have reached concluding the contract

4b- The Seller shall also not be liable for delay in delivery if the Buyer fails to fulfil all the preliminary

conditions required by the Seller and which are necessary to the execution of the Contract, including –but not limited to-: consignment of all technical documents or drawings, getting the authorizations by the competent authorities, performing the necessary formalities to grant the exact payment of the price, giving incidental bank or credit guarantee, leaving a sum as a deposit etc.

4c- In any case, the Seller shall not be liable for the delay in delivery –even if the time of delivery is of the essence of the Contract- when the delay has been caused by any event beyond the Seller’s control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the Seller’s control, such as: Act of God, explosion, flood, tempest, fire or accident; war or threat of war, sabotage, insurrection, civil disturbance or requisition; acts, restrictions, regulations, bye-laws, prohibitions and measures of any kind on the part of any governmental, parliamentary or local authority; import or export regulations or embargoes; strikes, lock-outs, or other industrial actions or trade disputes (wheter involving employees of the Seller or of a third party); difficulties in obtaining raw materials, labor, fuel, parts of machinery; power failure or breakdown in machinery; any other event beyond the Seller’s reasonable control.

4d.- Unless otherwise agreed, delivery of the Goods shall be made by Walvoil Spa ex factory, in Reggio Emilia. All costs related to customs formalities shall be borne by the Buyer.

4e.- Delivery of the Goods shall be made by the Buyer (or a common carrier appointed by the Buyer) collecting the Goods at the Seller’s premises after the Seller has notified the Buyer that the Goods are ready for collection or, if some other place for delivery is agreed by the parties, by the Seller delivering the Goods to that place. In that case, if the Seller fails to deliver the Goods within the contractual time for any reason beyond its control, the risk for damage or loss of the Goods shall pass to the Buyer at the time when the Seller notifies the Buyer that the goods are available for collection.

4f.- If the Buyer fails to pay the price of the Goods or fails to comply with its obligations under the Contract, the Seller shall be entitled (without prejudice to any other remedy it may have) to suspend deliveries of the Goods under any order.

5.- PRICE OF THE GOODS and PAYMENTS

5a.- Unless otherwise agreed, all prices for the Goods are net delivery, insurance costs and any value added tax, for which the Buyer shall be additionally liable.

5b.- The Buyer shall make payments subject to any special term agreed in the Contract. Such terms and conditions are of the essence of the Contract. The Buyer’s credits shall not offset its outstanding debt, even if the Buyer has returned material as a guarantee.

5c.- Except for cash payment, all other methods of payment (such as those made by bill of exchange, by cheque, by bank transfer, by letter of credit, against documents etc...), shall not be considered to have been made until the Seller’s account is effectively credited with the sum.

5d.- If the Buyer fails to make any payment on the due contractual date, it shall be deemed in default and the Seller –considering each single situation and if it deems it appropriate- shall be entitled (without prejudice to any other right or remedy available to the Seller such as: the right to cancel the contract; to suspend any further delivery; the right of retention of the Goods, compulsory sale under article 1515 civil code, etc.) to charge the Buyer interest on the amount unpaid (under Legislative Decree n.231/2002) at the Italian prime rate.

5e.- In no event the Buyer shall refuse, suspend or delay due payments. As a consequence the Buyer shall comply with all its contractual obligations before raising any objection. The Buyer waives the right to offset the outstanding debt.

5f.- In the event of a deferred payment agreement between the parties, if the Buyer fails to pay on the single due date, the payment in full as well as all accessories, shall become immediately due and payable (under art. 1186 civil code).

6.- WARRANTIES

6a.- Subject to the conditions set out below, the Seller warrants that the Goods will be brand new, will be fit for the purpose known to the Seller in writing at the time of the confirmation of the order and will conform in all respects with any specifications agreed between the parties.

6b.- Any claim by the Buyer which is based on any defect in the condition of the Goods or their failure to correspond with specification shall be notified to the Seller within eight (8) days from the date of delivery or within eight (8) days from the discovery of the defect or failure. Such notification shall be made in writing by registered mail or by facsimile transmission or by e-mail and shall be received by the Seller within the above mentioned deadline. Any claim in respect of the Goods shall expressly specify: the products the Buyer alleges to be defective, the kind of technical problem discovered and the exact placement of the defective Goods. If the Buyer doesn't notify accordingly, the Seller shall have no liability for such defect or failure and the Buyer shall be bound to pay the prices as if the Goods had been delivered in accordance with the Contract. If required, the Buyer shall supply any useful information and shall co-operate to facilitate the Seller in identifying and solving the technical problem.

6c.- The Seller's undertaking under paragraph 6a.- and 6b.- is limited to defects or failures which appear during the Guarantee Period. The Guarantee Period lasts eighteen (18) months from the date of delivery of the Goods. Where any claim in respect of any of the Goods, which is based on any defect in the condition of the Goods or their failure to meet specification, is notified to the Seller in accordance with these Conditions, the Seller shall be entitled to replace the Goods (or the part in question) free of charge or, at the Seller's sole discretion, refund to the Buyer the price of the Goods (or a proportionate part of the price), but the Seller shall have no further liability to the Buyer. Any incidental freight cost in connection with the warranties under this Article shall be borne by the Buyer. The Goods or the technical components replaced

in connection with the warranties under this Article are the Seller's property. Time and methods of the technical intervention shall be agreed in writing by the parties considering their mutual exigencies (the urgency of the situation on the Buyer's side and the necessity to prepare the technical intervention according to its complexity and the working load on the Seller's side).

6d.- The Seller shall be under no liability:

a.- in respect of any defect arising from the transportation or every activity beyond the Seller's obligations under the present Conditions or under the Contract;

b.- in respect of any defect arising from fair wear and tear, wilful damage, negligence, abnormal working conditions, failing not to follow the Seller's instructions (whether oral or in writing), misuse, or alteration or repair of the Goods without the Seller's approval in writing, by the Buyer.

6e.- The Seller shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price of the Goods has not been paid by the due date for payment.

7.- CLAIMS

7a.- The Buyer shall examine all the Goods upon delivery and shall notify to the Seller any failure of correspondence with specification within eight (8) days from the date of delivery as stated above (paragraph 6b. In any case such notification shall be made by the Buyer before using the Goods.

7b.- The Buyer shall also examine all the Goods upon delivery to verify that they are free from defects.

8.- LIMITATION OF LIABILITY

8.a.- The Seller shall not be liable to the Buyer for damage of property – including damage to products manufactured by the Buyer – or for loss of production, loss of profit or any other consequential losses or indirect damages.

8.b.- If the Seller has (or deems appropriate) to withdraw the Goods from the market because of serial defects, the parties shall agree in writing upon how to proceed.

9.- CANCELLATION CLAUSE

9a.- The Seller shall be entitled to terminate the Contract forthwith by written notice to the Buyer (under art.1456 civil code) on the occurrence of any of the following events: (i) if the Buyer fails to pay the price of the Goods or to give the required guarantee; (ii) if the Buyer discloses Confidential Information to third parties or acts without bona fide; (iii) if the Buyer fails to collect the Goods or refuses to co-operate with the Seller.

9b.- The Buyer shall be entitled to terminate the Contract forthwith by written notice to the Seller (under

1456 civil code) on the occurrence of any of the following events: (i) If the Seller fails to deliver the Goods; (ii) If the Seller, without reason, doesn't give the due warranties.

10.- CONFIDENTIALITY

10a.- The parties agree to treat and hold the Confidential Information strictly secret and confidential and to undertake the following obligations with respect thereto: (a) to use the Confidential Information only for the purposes of fulfilling their obligations under the Contract; (b) not to disclose the Confidential Information or to make it available to others without the prior written permission of the other party; (c) and (d) to limit dissemination of the Confidential Information only to those of the parties' employees who have a need to know the Confidential Information in order that the parties may perform their obligations under the Contract. For purposes of the Contract, the term "Confidential Information" shall mean and refer to all reports, drawings, documents, technical, scientific and commercial data and any other information marked "confidential" related to negotiations, to the Contract and to the Goods supplied by one party to the other.

10b.- To the parties it will be allowed:

- a) Disclosure of information and contractual documents to employees and consultants and other persons (natural or legal) eventually involved in the execution of the contract;
- b) Communications or other acts to fulfill bindings of external source or coming from Contract

10c.- Upon termination, for any reason, of business relations between the parties, the Buyer shall return, on Seller's demand, all sales materials or things related to the Seller.

11.- PERSONAL DATA TREATMENT

11a.- The parties declare to be informed about the content of Article 13 of the Italian Code concerning the personal data treatment and they declare to know their rights under Title II of the above mentioned Code.

11b.- As a consequence, the parties expressly consent to the treatment of their personal data for the purpose of carrying on negotiations, executing the Contract and fulfilling any other obligation under the Contract.

11c.- Each party undertakes to comply with the provisions under the Italian Code concerning the personal data treatment

12. GOVERNING LAW AND JURISDICTION

12.a.- The Contract and the present Conditions for the Sale of the Goods shall be governed by, and

construed and enforced in accordance with, Italian Substantive Law.

12.b.- The parties shall make reasonable efforts to settle in an amicable way any dispute that might arise between or among them in connection with the Contract or the present Conditions. For this purpose, the parties undertake to promote an attempt of conciliation according to the Rules of Conciliation of the International Chamber of Commerce of Milan. Should it be not possible to reach an amicable settlement, then all disputes arising out of the present Conditions and of the Contract, including those concerning its validity, interpretation, performance and termination, shall be referred to the jurisdiction of the Italian Court in Reggio Emilia.

_____, il _____

Walvoil Spa

The Buyer

The Buyer declares that he approves specifically, with reference to article 1341 of the civil code (Italian law), the following clauses of the present Conditions:

Art. 3 Orders And Specifications (Technical Changes)

Art.4 Delivery

Art.5 Price Of The Goods And Payments Art.6 Warranties

Art.7 Claims

Art.8 Limitation Of Liability

Art.9 Cancellation Clause

Art.10 Confidentiality

Art.11 Personal Data Treatment

Art.12 Governing Law And Jurisdiction