

General Terms and Conditions of Sale and Delivery

1. General Information

The terms of sale laid out herein shall govern any and every supply of any product whatsoever of the company MGM motori elettrici S.p.A. (hereinafter MGM or the Company), whether or not appearing in a promotional catalogue or communicated by the Company, also through its own sales network. Any waiver which may be accorded shall be specifically approved in writing by MGM, otherwise shall be considered as not having been made. Any conditions placed by the client on the order transmitted to MGM shall not be taken into account, unless expressly and specifically approved of in writing by MGM in the order confirmation. Unless otherwise agreed, the general terms and conditions of sale subject hereof shall govern all the contractual sales relations between the parties hereto, both currently and in the future. The issuance of a purchase order shall imply the unconditioned acceptance of the general terms and conditions of sale subject hereof, and where accepted by appropriate order confirmation such terms and conditions of sale shall wholly constitute the contract pursuant to section 1326 of the Italian Civil Code.

2. Offers and Order Confirmation

An offer of sale sent by either MGM or its own sales network and shall be considered valid and effective for 30 days following the date of issuance, save where an alternative expiry date is stipulated in the offer itself. A specific order confirmation so as to confirm the agreement shall be issued pursuant to the acceptance of an offer of sale via a purchase order.

The purchase order received by either MGM or its sales network shall not be considered binding unless expressly accepted with a specific order confirmation document in writing issued by MGM. Orders shall not be accepted by tacit agreement. Any verbal agreements made by agents, representatives and/or MGM employees shall be confirmed in writing via the issuance of an order confirmation in order to be deemed valid. The information contained in promotional brochures, catalogues, website and price lists as illustrated graphically and the technical characteristics and any pertaining technical detail related to, for example, size, weight, power are strictly indicative only. MGM reserves the right to make any modifications whatsoever to its products, of either a technical or design nature, whether deemed opportune or necessary, as well as to vary the listed prices in function of varying production costs whenever it sees fit.

3. Prices and conditions of payment

The agreed prices are those listed in the order confirmation and, unless otherwise agreed in writing, shall be regarded as ex-works or ex-warehouse (EXW). The prices, unless otherwise stated in writing, shall include packaging; they shall however expressly exclude, unless otherwise agreed in writing, transport, insurance and any other duty and/or cost and/or expense. The stated prices are net of VAT and any other legally applicable tax or duty. MGM reserves the right to charge the client, prior to delivery, any increased costs in terms of labour and raw materials of a significant nature having taken into account normal production costs for a similar or identical supply, borne in relation to the order received. The payment, unless otherwise agreed

in writing, shall be brought forward and shall be made within thirty (30) days of receipt of the invoice or other form of payment request equivalent in content, in legal currency at the domicile of MGM. In the event of an alternative payment agreement, where the terms are not stated, the conditions laid out in section 4 of Legislative Decree 231/2002 shall apply. The acceptance of promissory notes as a means of payment on the part of MGM shall be understood to be purely at the Company's discretion. Cheques and promissory notes are accepted with recourse factoring, that is upon the condition of the effective collection at the expiry date, and not without recourse factoring. MGM reserves the right to request appropriate guarantees for punctual payment of the amount on or before the agreed due date. Any non-payment or payment subsequent to the agreed due date shall automatically give rise to interest payments pursuant to the terms of section 5 of Legislative Decree 231/2002, removing the need for the instigation of default proceedings. Any delay in payment beyond the due date superior to thirty (30) days shall result in the automatic suspension of supply and any other deliveries, save for the faculty of MGM to cancel every order and withdraw from the contract, and to seek compensation for greater damages incurred as a consequence of the non execution of the order due to reasons for which it can not be held responsible, without the client being able to lay any claim for any title or reason. The compensation of credit between the parties is expressly excluded. Any claims or challenges raised by the client in relation to the goods sold shall not give rise to any suspension of payment.

4. Terms and conditions of delivery

The delivery terms stated on the order confirmation are purely indicative and to which a normal level of tolerance shall be afforded regarding the time required for the complete realization of each product specification, as stated in summary form in the order confirmation. During this period the client may not lay any claim for any reason whatsoever for any delay. MGM shall not, moreover, be liable for any delay resulting, either directly or indirectly from: a) fortuitous events or events resulting from force majeure, including but not limited to, lock-out, strike action or absence from work, epidemics, war, fire, flooding, atmospheric events of a significant degree or natural disasters, industrial accidents, interruptions or delays in transport, anomalies of performance and/or defective components suffered by MGM and/or its direct suppliers; b) non provision on the part of the client in a timely way of data and/or material necessary for the correct and regular performance of the service by MGM; c) delay in payment of the agreed price; d) suppliers' delay in the supply of material necessary for the completion of the order. Any variations requested by the client during the execution of the order, if and where accepted in writing by MGM, shall give rise to an extension of the delivery date equal to the time needed to implement the agreed modification. In the event of a delay in the delivery beyond the aforementioned period of tolerance affordable to MGM, the client may seek in writing the resolution of the contract, with the exclusion of any increased damages.

The delivery shall be deemed to have been completed to full effect upon the communication in writing by MGM to the client stating that the goods are available for shipment at its factory or at its distribution warehouse, or upon delivery of the goods to the forwarder or carrier. Upon delivery of the goods to the forwarder or carrier MGM shall be freed from any and every liability related to said goods.

Shipment shall be made using means of transport and carriers chosen indisputably by MGM, save as otherwise agreed by written agreement, at the exclusive risk and cost of the client. In no circumstances may MGM be held liable for any damages, delays and/or loss of goods subsequent to the shipment thereof. In the event that the goods are to be collected from MGM's site or other warehouse, once thirty (30) days have lapsed following the communication to the client informing same of the availability of the goods without same being collected by the client, or by a third party acting under the client's instructions, MGM may organise the transport or the storage of the sold goods at the sole risk and expense of the client.

5. Product Warranties

MGM guarantees the sold products for a period of a year as of the date of delivery (determined by the date stated on the delivery note). The guarantee includes only the repair and/or substitution ex-works of the defective or malfunctioning piece; for a verified defect of the material used and/or the workmanship thereof. Any other guarantee and similarly any indemnification and/or damages for other defects and/or damages, either direct or indirect, of any nature whatsoever, even in favour of third parties and/or other machines, including but not limited to those deriving from any of the following; a use of the good different to that for which it was intended or a non-use of the good for an extended period of time, the implementation or incorrect assembly or disassembly or incorrect maintenance or maintenance dissimilar to that prescribed in the instruction manual, normal wear and tear, exposure to electromagnetic currents, electrochemical currents, chemical substances, electrical forces, high temperatures, repairs by non authorised persons and/or persons not employed by MGM, the omission of routine maintenance as prescribed in the user and maintenance manual are all expressly excluded. Likewise any compensation for transport and any other incidental costs arising both before and after any intervention carried out under guarantee is excluded. The verification of compatibility of the application, the mechanical fixing and electrical connections with the characteristics of MGM products shall be performed by the client at its sole risk. MGM shall not be held liable for any damages arising either directly or indirectly from said applications, fixings, electrical connections or specific technical requests expressed by the client. The warranty for replaced or modified components shall expire on the same date as the original guarantee of the product. The assignment of warranty rights to third parties is prohibited.

6. Prohibition of Assignment

The assignment of rights deriving herefrom, either totally or partially, and/or this agreement itself, wholly constituted by the general conditions of sale subject hereof, to third parties is prohibited

7. Claims

Any claims relating to finished goods shall be communicated in writing to MGM within and no later than eight (8) days of receipt of the delivered goods. Any claims shall be sent to the following address: MGM motori elettrici S.p.A., S.R. 435 Km. 31,

51034 Serravalle Pistoiese, Pistoia, Italia. MGM reserves the right to seek compensation for expenses incurred for investigations in the event that the claim should result in being either groundless or inaccurate.

8. Liability

The liability of MGM shall be limited to the design, the materials and manufacturing of the product, namely to the afore-mentioned guaranteed goods. Consequently any liability for defects and/or damages, also to third parties, deriving from causes which are accidental and/or not connected, not even indirectly, to the production of the sold goods and therefore, in effect, not chargeable to gross negligence on the part of MGM shall be excluded. In any case, the client and/or user of the good is required, at his/her own sole liability, to adopt the safety devices and, in general, to adhere to the governing legal and technical directions in force so as to avoid the risk of injury to persons and damage to property or equipment resulting from the use of the goods.

9. Intellectual Property and trademarks

MGM is the sole holder of the intellectual property and industrial rights of the sold goods. Under no circumstances may the client use promotional brochures, technical specifications and/or user manuals supplied to the client together with the goods so as to guarantee the correct usage thereof, for any other purpose.

10. Place of jurisdiction and court of law

The place of jurisdiction for both parties hereto shall be the registered offices of MGM in Serravalle Pistoiese (Pistoia), Italy. The Court of Pistoia shall hear any dispute arising either directly or indirectly from the contractual relations between the parties hereto, also in the event of proceedings relating to promissory notes or non payment of cheques. The contractual relationship subject hereof shall be subject to the laws of the Republic of Italy, even in the event of supply outside Italy.

11. Confidentiality and Privacy

The data and information deemed necessary or useful for the correct execution of the confirmed order are strictly confidential and shall be handled by MGM in complete respect of the privacy law in force, for the purposes of completion and execution of the contractual relations and for the administration of the relationship and may be processed by both electronic and paper means. On issuing an order the client thereby consents to its data being handled for the purposes and in accordance with the methodology laid out in the specific guidelines relating thereto, available at the website www.mgmrestop.com.

In accordance with sections 1341 and 1342 of the Civil Code the following sections are expressly and specifically approved in writing: 2) Offers and order confirmation, 3) Prices and conditions of payment, 4) Terms and conditions of delivery, 5) Product warranties, 6) Prohibition of assignment, 7) Claims, 8) Liability, 9) Intellectual property and trademarks, 10) Place of jurisdiction and court of law, 11) Privacy.