

KME ITALY S.p.A.
GENERAL SALE CONDITIONS

1. Orders. Any offer made by KME Italy S.p.A. (hereinafter “**KME**”) shall be considered without binding effect and any possible order – even if agreed upon by KME agents or sales representatives - shall be deemed to be a final order only subject to a previous order confirmation issued by KME.

2. Transfer of risk. Transport of products is at customer's risk, even in case of free delivery supplies. KME therefore rejects any claims either for weight deficiency or for damages which may have occurred during forwarding or unloading. Carriers shall be held responsible for any such contingency and customer shall take all reasonable steps against carriers before collecting products. This circumstance shall apply also to sea shipments, therefore all claims shall be addressed by customer directly to any shipping and insurance Companies involved.

3. Terms of delivery. Any terms of delivery even if agreed upon shall not be considered as binding. Any delay shall neither cause customer's order cancellation nor any claim for reimbursement nor give rise to right to damages or interest. In any case, terms of delivery shall become effective upon full definition and conclusion of order only with confirmation in writing by KME.

4. Packaging. If so required or necessary, packaging will be invoiced at cost price. Unless previous agreement, returns will not be accepted.

5. Payments. Payment for full invoice amount is due cash net on maturity date at KME head offices in Florence, 2, Via dei Barucci. After expiration of maturity date, commercial interest shall be charged on customer's account. In case of total or partial late payments KME will be entitled to draw a B/E plus interest and expenses/ stamps, additionally KME will be entitled to file any other action to collect KME credits as well as to cancel and terminate outstanding orders, without customer's right to claim for compensation and/or indemnifications or to claim for advance payments of further outstanding deliveries. Payment in full of the price of goods is condition precedent to the transfer of ownership. Therefore, until complete payment, goods remain the property of KME, which is entitled to take them back in case of payment failure or delay.

6. Testing. When so required, inspection and testing on products shall be carried out in KME plants before shipment at customer's expenses. After fifteen (15) days of notice that ordered products are ready for delivery, without inspection and testing being at least begun, customer will be considered as waiving all his right with respect to such actions and KME will provide for shipment of products without further delay.

7. Warranty. In the event of products being allegedly defective due to use of defective materials as well as due to hidden faults and/or dimensional differences exceeding normal manufacturing tolerances which might be discovered only after delivery, KME shall replace such defective products in reasonable time without any right of customer to reimbursement of any kind or to damages. Customer shall return defective or faulty products FOB KME plants; upon appropriate inspection KME shall credit customer's account for such quantities returned.

8. Claims. Claims are to be addressed within eight (8) following reception of products by customer.

9. Force majeure. Strikes, wars, epidemics, lack or deficiency of wagons or freights, railway hold-ups, scarcity of materials, machinery failure and whatever cause may force KME to a partial or total stop-work shall be considered as *force majeure* and will entitle KME to suspend execution of contracts.

10. Applicable law. Competent jurisdiction. Any legal disputes also with foreign companies and/or citizens or regarding products delivered abroad are to be regulated by Italian law, derogating to provisions contained in artt. 32, 35 and 36 of the Italian Code of Civil Procedure. Venue for any action shall be the Court of Florence, being customer not entitled to start legal proceeding in any other place either by guaranty or similarity of object between pending actions. However, when acting as a plaintiff, KME reserves the right to file action at customer's head offices in Italy or abroad.

11. Enforcement. In case of customer's non-fulfilment of contract, supplier reserves the right to enforcement according to art. 1515 of the Italian Civil Code, notwithstanding any agreed tolerance of such a non-fulfilment.

12. Acceptance of General Conditions of Sale. By placing an order in whatever form, any and all conditions herein included (also available on KME homepage: www.kme.com) are deemed to be fully understood and accepted by customer without any reserve whatsoever.

13. Organisational model pursuant to Italian Legislative Decree 231/2001. By placing an order in whatever form, all principles of conduct applied by KME in compliance with Italian Legislative Decree no.231/2001(available on KME homepage: www.kme.com) are deemed to be accepted by customer without any reserve whatsoever.

14. Treatment of personal data. By placing an order in whatever form, customer expressly confirms to be informed of prospectus edited by KME according to Italian Data Protection Code, Legislative Decree no.196/2003 (available on KME homepage: www.kme.com).