

GENERAL TERMS AND CONDITIONS OF SALE

1. OFFER AND ACCEPTANCE

- 1.1. ergolines Lab srl (henceforth ergolines) offers to sell the products indicated in its commercial offers in strict accordance with the terms and conditions stated below. Submittal of a purchase order or execution of an offer by Buyer, or allowing ergolines to commence work, is an acceptance of an ergolines' offer, which offer and acceptance constitute a legally enforceable contract between Buyer and ergolines.
- 1.2. What indicated in ergolines' purchase order confirmation supersedes and prevails on any statement or commitment reported in Buyer's purchase order.
- 1.3. Any additional or differing terms and conditions contained on Buyer's purchase order are rejected by ergolines and become no part of the contract between Buyer and ergolines, unless expressly consented to in writing by ergolines in the purchase order confirmation.
- 1.4. Unless specifically restricted on a purchase order, ergolines reserves the right to substitute the latest superseding design and manufactured equivalent minor component within the package where the interchangeability of the product is based on form, fit, and function, in place of the component quoted.
- 1.5. ergolines presents its offers for Buyer's use only. Regardless of form, all design, configuration and commercial information received by Buyer from ergolines, in connection with an offer, are considered proprietary and confidential and may not be disclosed by Buyer to anyone else without ergolines prior written consent.

2. PRICES AND TAXES

- 2.1. Unless otherwise stated in the quotation, quoted prices are firm only if an order is placed within sixty (60) days of the submission of the relative offer.
- 2.2. In the case of fabricated products, quoted prices are firm further provided that, within three months of Buyer's acceptance, Buyer authorizes ergolines to release for fabrication (in accordance with approved submittal data) and shipment immediately upon completion of fabrication. If Buyer's release for fabrication is not received by ergolines within the three-month period, prices are subject to increase to current prices in effect at the time Buyer's release is actually received by ergolines.
- 2.3. Unless otherwise stated in the relative offer, prices quoted are FCA Trieste.
- 2.4. Prices shown do not include any fees, duties or other taxes imposed on the sale of goods. The amount of any sales, use, privilege, service, excise, state, local, foreign or other similar tax for which ergolines is liable, either on its own behalf or on behalf of the Buyer, with respect to any orders for materials, equipment or service, is in addition to the billing prices and paid by Buyer.

3. PAYMENTS DELAY

- 3.1. Subject to credit approval by ergolines and unless otherwise stated in the quotation, the payment terms are as shown on the proposal. All payments are due and payable by the date reported on ergolines' invoice. Amounts past due are subject to a service charge of 1.5% per month.

4. PERFORMANCE AND DELIVERY

- 4.1. ergolines is not liable for failure or delays where the failure or delay is due to strikes, fires, accidents, national emergency, failure to secure materials from the usual sources of supply, or any other circumstances beyond ergolines' control.
- 4.2. Upon the occurrence of any of the above events, ergolines may cancel an order without any liability on ergolines' part.
- 4.3. Receipt of the equipment by Buyer upon its delivery constitutes a waiver of all claims for delay.
- 4.4. Shipping dates in offers are approximate only. No shipping date requested or specified by Buyer is binding on ergolines unless the request or specification is specifically agreed to in writing in the purchase order confirmation.

5. WARRANTY OF MATERIALS AND WORKMANSHIP

- 5.1. ergolines warrants that the products covered by this warranty will be free from defects in workmanship and material (if properly installed, operated and maintained in accordance with specifications) for a period of twelve (12) months from date of shipping, unless otherwise agreed and written in the purchase order confirmation.
- 5.2. For equipment that requires commissioning, ergolines' warranty will be valid only if commissioning is carried out by ergolines designated personnel, unless otherwise consented to in writing by ergolines.
- 5.3. ergolines will repair or replace products or components ergolines finds defective based on FCA Trieste delivery terms.
- 5.4. This warranty does not include the cost of labor or rigging to remove or reinstall any defective components, nor does it include cost of handling, shipping or transportation involved in retrieving the defective component and supplying its replacements.
- 5.5. ergolines makes no warranties or representations of any kind whatsoever on any products which are not originally manufactured by ergolines. On products and components furnished by ergolines, but manufactured by others, ergolines will extend the same guarantee it receives from the original manufacturer.
- 5.6. Liability shall be limited to the cost of repairing or replacing said defective products or components, as determined by ergolines. This warranty shall not apply to materials, components or design provided by Buyer or on behalf of Buyer, to negligence or other improper acts or omissions of Buyer, his employees or agents or other third parties, to other than the use of OEM Spare Parts, to improper installation or alterations carried out without ergolines' consent in writing, to design errors, omissions or operating conditions which were unknown to ergolines and Buyer and which could only be detected through operation of the installed equipment or failure of Buyer to follow ergolines' and original manufacturer's design, operation or installation recommendations.
- 5.7. In particular, this warranty does not cover any defects that are caused by or connected with normal wear and tear, corrosion, abuse, misuse, over-loading or with any use, maintenance, service or operation of the equipment or any part thereof which is not in conformance with ergolines' or the original manufacturer's manuals, instruction or specifications.
- 5.8. ergolines makes no other expressed or implied or statutory warranties, and specifically makes no implied warranties of merchantability or fitness for a particular purpose. No warranties or representations at any time made by any representative of ergolines shall be effective to vary or extend the above referenced express warranties or any other terms hereof.

6. LIMITATION OF LIABILITY

- 6.1. All claims, causes of action or legal proceeding against ergolines arising from ergolines performance under a given contract must be commenced by Buyer within the express warranty period specified under Paragraph 5 above.
- 6.2. Failure to commence any claim, cause of action or legal proceeding within the period constitutes a voluntary and knowing waiver of the claim, cause of action or legal proceeding by Buyer.
- 6.3. ergolines' liability for any and all claims, damages, losses, and injuries arising out of or relating to ergolines' performance or breach of any term herein shall not exceed the purchase price of the goods. In no event is ergolines liable for any special, indirect, incidental or consequential damages.
- 6.4. This limitation on damages applies under all theories of liability or causes of action, including contract, warranty, tort (including negligence) or strict liability. The above limitations inure to the benefit of ergolines' suppliers and subcontractors.

7. CANCELLATION

- 7.1. Buyer cannot cancel orders under any circumstance without ergolines' written agreement and consent covering all of ergolines' damages.
- 7.2. At a minimum, such an agreement must include the non-refundable down payment, when foreseen by contract, and reimburse ergolines for all expenses incurred, including but not limited to costs of purchased materials, engineering costs and a reasonable markup to cover overhead and profit.

8. APPLICABLE LAW

- 8.1. The terms and conditions applicable to the transaction shall be governed by the laws of Italy and Buyer and ergolines agree to submit to the jurisdiction of the Court of Trieste (Italy) for purposes of resolving any dispute or claim arising in connection with this transaction.

9. TRANSPORTATION, STARTUP AND COMMISSIONING

- 9.1. Equipment is transported, installed and connected at Buyer's risk and expense, unless specified otherwise in the purchase order confirmation.
- 9.2. ergolines will provide a service technician, upon request, to commission the equipment once it has been installed and connected.
- 9.3. The cost for this service is based upon time, unless otherwise stated in the quotation.
- 9.4. ergolines is not responsible for materials furnished by Buyer.
- 9.5. The use of a service technician does not relieve the responsibility of Buyers for materials and services furnished by Buyer.
- 9.6. Buyers should be ready to perform startup services before contracting a service technician.
- 9.7. The time when the service technician is ready, willing and able to work at the job site, is considered time worked even though his services are not in fact utilized because of delays by the Buyer.