

PALLADIO COMPRESSORS GENERAL CONDITIONS OF SALE AND SUPPLY

1. Validity

Those General Sale and Supply Conditions shall apply to and be incorporated into any sales and supply agreement signed between Palladio Compressors S.p.a., via Enrico Fermi n. 6, 36045 Lonigo (VI), Italy, (hereinafter, "Palladio Compressors") and the Client (hereinafter "the Client"). The application of any different term and condition whatsoever, even if applied by the Client pursuant to reference made to its own purchasing or contractual provisions, is expressly excluded.

Any modification to the general conditions herein, shall be endorsed by Palladio Compressors in writing, which will have the right to establish specific different conditions in each offer or order confirmation, and such specific condition will prevail over the present general conditions.

Client acknowledges to be aware of the contents of these general sale conditions, available at www.palladiocompressors.com, as indicated on Offer, Order Confirmation and Invoice's documents.

2. Offers, orders and completion of the contract

Palladio Compressors' offers are not binding and mandatory.

The orders shall be valid only if issued in writing and sent to Palladio Compressors, even by e-mail, to those addresses communicated by the same.

No contract shall be considered as made between Palladio Compressors and the Client until Palladio Compressors will have confirmed the Client's order in writing, through the confirmation of the order acknowledged by the Client.

After the order confirmation, the order cannot be cancelled, without Palladio Compressors' written consent.

3. Characteristics of the Products - Modifications

Any information or data relating to features and/or specifications of the products contained in dépliant, price lists, catalogues and similar documents are indicative and not binding.

Palladio Compressors may make any change to the products which, without altering their essential features, appear to be necessary or suitable.

Any eventual modifications required by the Client, to what settled up in the order confirmation, are for their full part on charge of the Client. Even any eventual interventions or any eventual missing indication not expressly settled up in the contract are on charge of the Client.

4. Prices and payments

Unless otherwise agreed, price is fixed in the order confirmation and is indicated in Euro, expressed in unit of product and it is always in net from VAT and, except for different agreement, net from customized packing and transport costs.

Payments have to be made directly at Palladio Compressors headquarter or at one of the Banks indicated by him.

Terms of payment are indicated in the order confirmation and, if not indicated, are to be considered as payment in advance.

Terms of payment are compulsory and therefore Palladio Compressors does not accept discounts, reductions or rounded figures.

Any default of the agreed payment terms will lead to the cancellation of any discounts granted to the Client and the application, on the amount due thereof, of the interests calculated pursuant to the Italian decree no. 231/2002, without need of any placing in default.

5. Prices revision

Price, except for different agreed, is intended to be the same till the delivery date, fixed in the contract. If the delivery time, for reasons not depending on Palladio Compressors is extended, Palladio Compressors itself allows himself to apply eventual prices increase if they have occurred, as well as storage charge.

If the delivery term requested by the Client exceed 3 (three) months from the order date, Palladio Compressors reserves the right to revise the prices at the delivery date.

6. Delivery and transport

The delivery of the products is carried out in compliance with the general sale conditions herein.

Any change in the delivery clauses or any conditions established by the Client, shall not be valid and enforceable unless specifically approved, in writing, by Palladio Compressors.

Except for any written agreement, the goods are sold Ex Works Palladio Compressors' factory.

All costs related to the delivery of the products are in charged to the Client, unless differently specified in the order confirmation document.

Upon delivery to the Client, shipper, carrier or to whoever is in charge of the transportation and, in any case, when the products leave Palladio Compressors' warehouse, the liability of whole or partial loss of the same goods is transferred to the Client.

The delivery terms are those set out in the Palladio Compressors' order confirmation and start from the date of completion of the contract (or from the receipt of the order confirmation by the Client). Unless explicitly agreed in writing, such terms are not binding.

If Palladio Compressors temporally or permanently, for reasons not imputable to the same, is unable to deliver the products caused by an event of force majeure, (i.e.: earthquake, strikes, lock-out, lack of means of transportation, authority ordinance, floods, etc.), Palladio Compressors will be released from all delivery and indemnification obligations towards the Client for the entire duration of the period in which the impediment and its effects last. Upon the occurrence of such impediment, Palladio Compressors will promptly inform the Client thereof and will have the right to terminate the supply agreement, if any.

If the Client will not comply with any of the terms and conditions of the supply, even in part, or if it changes its name, ownership, or commercial ability or if it delays payments also towards other creditors, Palladio Compressors shall have the right to stop any delivery, even for confirmed orders.

In any case, Palladio Compressors reserves itself the right to reduce the credit limit, if any, granted to the Client, if the general market condition change, or facts and circumstances change the actual business condition of the Palladio Compressors.

The goods travels at the Client's own risk and danger, even if it is sold carriage paid.

Normally the goods travel in a suitable standard package, except for any specific written agreement and due specification in the order confirmation.

7. Warranty

Palladio Compressors gives a generical warranty for 12 months for its products, calculated from the delivery date of them from Lonigo.

The warranty consists on and is limited to the repairing or substitution of the defective component or single defective component or single defective pieces, in case they prevent the correct product functioning and in case functioning defects are found from the origin.

The warranty is valid and effective only in case of usage and maintenance from the Client in compliance with Palladio Compressors' indications and/or with the "Use and Maintenance Manual".

The warranty is not extended to defects or damages caused by resulting from lack of attention in usage or product violation, caused in direct or indirect way, or caused by repairing, single components substitution, maintenance made by no authorized people from Palladio Compressors, by technical inexperience, or by any circumstances independent from Palladio Compressors acts or facts.

When warranty applies, cost for travel and personnel traveling expenses, who will be present at the Client's factory or at the product installation place, pointed by the Client to Palladio Compressors at the right time, are at the Client's charge. In this case, the Client undertakes to give the technical information (model, products serial number, required times for the intervention, installation, installation's schema in which the product is installed, indicated anomaly, complete address, telephone and fax numbers, company and/or reference people in there) and the necessary authorizations in order to reduce the intervention times and to simplify the location and the solutions of the problems.

The warranty decays if the Client does not observe the payment conditions or if the breakdowns are caused by the Client itself, its employees or third person and also by a bad assembly when this is not attributable to Palladio Compressors.

Any compensation for direct or indirect damages is excluded.

The Client has to verify the goods correspond to the law enforced in the goods destination country and it has to inform Palladio Compressors, in good time and however before the goods shipment, of the eventual changes to brought. In this case, Palladio Compressors could reject the order or charge the heavier expense to the Client.

Any liability arising from or connected to the products and due to any events subsequent of the delivery, included damages to persons or goods (also when goods are parts or accessories to the equipment) will be exclusively born by the Client.

8. Goods Return

Except for specific cases confirmed in a written form, Palladio Compressors does not accept any goods return. Every return procedure must be preceded by a written form from Palladio Compressors.

The goods must be returned, carriage paid, at Palladio Compressors' factory.

Palladio Compressors allows itself to inspect the returned goods and, in case of deficiency verification due to Palladio Compressors itself, it will provide to substitute the defective products, without any charges for the Client, or to issue a credit note, only if the warranty is still valid. On the contrary, the goods will be sent back to the Client with transport charges to be paid by the Client itself.

9. Claims and complains

The Client shall inspect the delivered products and notify Palladio Compressors, in writing, within 8 (eight) days from the delivery, of possible defects found or that may be found upon a preliminary inspection, or any other claim related to the products. If the Client fails to make such notification, the products will be deemed as definitely accepted and in compliance with what set forth in the contract, without being prejudicial to the possibility to report any not evident defect, within 12 (twelve) months from the delivery.

It is understood that 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 the goods already received and not promptly challenged.

10. Palladio Compressors' Intellectual Property

Palladio Compressors is the exclusive owner of a series of patents for inventions, utility models, designs and ornamental models, as well as the copyright on software, relating to its products. The Customer expressly acknowledges that all intellectual property rights on such products belong to and remain the exclusive property of Palladio Compressors.

The Customer has the limited right to use the Palladio Compressors trademarks only for the resale of the products to the public, in accordance with the instructions provided by Palladio Compressors. Any other use, modification, reproduction or distribution of the trademarks, trade names or other distinctive signs, as well as of any other industrial property right or production and commercial know-how of Palladio Compressors, is prohibited without the prior written consent of Palladio Compressors.

Violation of Palladio Compressors' intellectual property rights will result in the immediate termination of the contract and the obligation of the Customer to compensate for the damage caused.

11. Palladio Compressors' Industrial Property

The documents, drawings, data and information (either in written papers or through electronic support) which should be delivered to the Client, remain exclusive property of Palladio Compressors and constitute a support for a better representation of the product and are significant of the general performances of the product itself.

The Client engages himself not to reproduce them, neither to spread them to a third party, and he engages himself to undertake the proper precaution towards his staff in order to grant the above maintenance.

12. Sales with property reserve

Sales with payment by instalments is intended with property reserve to be charged to Palladio Compressors, till the entire payment of the due amount, ex art. 1523 of the Italian Civil Code, being all the risks at the Client charge till the delivery of the products which are object of the supply.

13. Governing Law - Jurisdiction

The sales contract shall be governed and construed in compliance with Italian law.

The Court of Vicenza — Italy - shall have the exclusive jurisdiction in any dispute arising from or in connection with the sale or supply relationship, its agreement, performance or beach whatsoever.

14. Confidentiality

These General Sale Conditions, all orders and any other information or material, supplied by Palladio Compressors to the Client, are strictly confidential and will not be disclosed (in whole or in a part) to any other person, without the Palladio Compressors' prior written consent.