

> GENERAL SALES AND WARRANTY CONDITIONS

GENERAL APPLICATION

The following general sales and warranty conditions substitute the previous and will be applied to all sales contracts concluded by WAY from April 1, 2005.

All orders transmitted to WAY implicitly means that the buyer has accepted without reserve the general sales and warranty conditions; different conditions or contrary requests by the customers do not have any validity in whatever moment they have been communicated to WAY unless these are formally accepted by WAY. WAY may modify the general sales and warranty conditions in any moment by written confirmation; the modifications will have validity on sales contracts concluded on the first day of the second month following that of the transmission of the information.

ORDERS

All orders must be transmitted by the customer in writing, by fax or by e-mail.

The sales contract is finalized with the formal acceptance of the order on behalf of WAY, transmitted by fax, e-mail or by normal mail under the form of an order confirmation. The order confirmation contains all of the sales conditions including the general sales and warranty conditions in case of being the first supply.

In the case that the order confirmation includes condition in part or completely different from those of the customer order, the customer may cancel the order within 7 days of receipt of the order confirmation. The order cancellation must be done in writing, by e-mail or by fax; the lack of a cancellation according to the above terms means that the order has been irrevocably accepted.

SALES PRICES

The sales prices of the WAY Price List are indicative and can be modified.

WAY transmits in writing, also by fax or e-mail the modifications applied on the price list.

The modifications to the price lists are valid from the 1st day of the second month following communication of the price modification. The final price, in any case, the price indicated on the order confirmation by WAY to the customer.

Should there not be specific mention in the customer order and the relative order confirmation, the prices are intended as follows:

- in euro (€) and do not include VAT and other taxes;
- standard WAY packaging included
- ex-works

▪ the discount on the price list which is agreed with the customer is acquired by the customer only following the total payment of the supply at the agreed due date/s.

WAY will issue a debit note of the discount agreed on the price list in case the customer does not respect the agreed terms.

DELIVERY

WAY establishes the terms of delivery and shipment on the order confirmation. The terms are indicative and are based on supply and delivery timing; thus it is nonbinding and does not constitute an essential part of the contract.

The valid sales contract can be suspended or delayed by WAY even in the eventuality that a payment in advance has not been received in WAY or in the case of force majeure such as wars, strikes, natural calamity, fires, breakdown or damages to the manufacturing facility or tooling, delay in delivery of suppliers to WAY.

The eventual suspension of the contract and the delay in the delivery terms agreed does not permit cancellation nor does it permit debit notes nor request of damages on behalf of the customer.

SHIPMENT AND TRANSPORT

The shipment of the goods is done and travels at the risk of the customer. The transfer of the risk is operational in the moment that the goods are delivered to the transporter for the shipment and transport of the goods.

The insurance for the transport can be requested by the customer at his costs and must be indicated in the order confirmation.

The customer is responsible for verifying the shipment and the transport of the goods at the moment of the receipt of goods.

In the case of damages, loss, theft or other damages, it is the responsibility of the customer to accept the goods with reserve or claim damages indicating this on the transport document that the transporter must sign. The reserve or claim must be done by letter by certified mail with return receipt addressed to the shipper and copy sent to WAY within 3 days of the receipt of goods.

NON-CONFORMITY, CLAIMS AND RETURN OF GOODS

Any claim relating to the non-conformity of goods must be communicated to WAY by means of a certified letter with return receipt, within 8 days of receipt of the goods; should there be occult damages, then this goes into effect from the documented moment that damages are discovered. As a verification of the rapidity of the communication, the date of the post office stamp will be valid. Claims which arrive in WAY beyond the acceptance date will not be accepted.

It is the customers responsibility to supply the analytical information regarding the non-conformity just as it is the customer's responsibility to abstain from intervening on the goods without authorization and to cooperate with WAY to facilitate the verification of the claim in order to find a solution.

In the same terms foreseen for the claim, the customer can request at his discretion, the authorization to return the defective goods. The request for authorization must be transmitted in writing or by fax or e-mail to WAY by the customer.

Return of goods related to the non-conformity, without previous written authorization by WAY is not accepted.

Excluded from the procedure of goods return by the customer and the return of goods at customer cost are the following:

- goods that cannot be identified by means of the article number and batch number
- goods which have been manipulated and/or modified by the customer without authorization
- goods which are not accompanied by the copy of the authorization to return goods
- goods for which the customer cannot exhibit documents that prove that goods have been supplied by WAY

The customer is responsible for the shipping risk and costs of returning the goods to WAY.

In the case that WAY confirms the damages and/or non-conformity of goods, the customer can obtain, at WAY'S discretion, the substitution of the goods free of charge, or the re-imbursement of the sum paid.

In any case it is excluded the payment of damages of any nature and entity.

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PAYMENT CONDITIONS

Payments must be made by the customer at the agreed terms as stated in the order confirmation or the sales contract. WAY may grant deferred payments to the customer based on the financial situation of the customer once the interests and costs have been determined and guarantees received on the part of WAY.

WAY reserves the right to modify without forewarning the payment conditions agreed every time there is a modification in the motivating conditions, such as any time there is customer orders which present an elevated financial risk for WAY.

In the case of non-fulfilment of the payments to WAY, WAY reserves the right to cancel in any moment and following written communication, transmitted also by fax or e-mail, all sales contract presently valid.

All costs due to delayed payment will be debited to the customer, including the interests for delayed payment based on current interest rates and the valid legislation.

When the contracts foresees to pay in instalments, we will apply the laws as per art. 1523 and based on the Italian Civil Code regarding the sale which reserves the right of property. In this case, the lack of payment of a single instalment will result in the customer losing the benefits of the terms and the instalments of the supply which are still due become immediately payable.

PRODUCT INFORMATION

WAY complies to the product information requirements regarding the technical documentation and the user and maintenance manuals supplied with the product.

It is the responsibility of the customer to inform their customers regarding proper use and safety conditions.

We also inform that the technical documentation and user manual's cannot foresee all of the cases and examples of installations and product applications; it is thus the responsibility of the customer to contact WAY should supplementary information be required.

TRADEMARK USE

The customer may not use the WAY logo and the trademark of Mingardi for any type of activity without previous agreement and authorization by WAY respecting the current laws.

WARRANTY

The warranty as foreseen in this clause must be applied to products manufactured and sold by WAY from the date of validity of the present general sales and warranty conditions. It remains valid, for products manufactured and sold previously and until the expiration of the warranty, the warranty conditions for the products manufactured and sold with the trademark Mingardi. WAY guarantees that the products do not have defects related to the materials used, to the engineering and to the manufacturing.

In the case of product defects attributable to materials, engineering and manufacturing, WAY will either substitute or replace the material.

In the eventuality of a substitution or repair of the products in warranty, the warranty period of the new or repaired product terminates on the date regarding the warranty period of the original product.

Products manufactured and sold by WAY are guaranteed for 5 (five) years, with termination date corresponding to the transport document, or if this is missing, to the date of the invoice.

Products which are judged to be defective must be shipped at the customers expense to WAY Srl, Via C. Bassi 7/A, 40015 Galliera (BO) Italy.

WAY has the right to request a copy of the purchase invoice to the customer.

If the returned products in warranty, following the evaluation on behalf of WAY, result to be defective, WAY will then either substitute or repair the goods free of charge.

Transport costs of the replacement or repaired products will be paid for by WAY.

If, following the evaluation of WAY, the products are not defective in relation to the materials used, the engineering and manufacturing, WAY automatically will repair or return the non-repaired goods. WAY will then inform the customer in writing, by fax or e-mail of the eventual costs of the operation.

The return of the goods will take place within 1 month from receipt of the communication.

In the case of a specific shipment, the transport costs will be debited to the customer.

The warranty does not apply in the following cases:

- product choice, installation and use of the motor that does not comply to the instructions in the technical documentation and to the user and maintenance manual supplied with the product.
- Incorrect installation, use and maintenance due to negligence on the part of the customer.
- Defects due to force majeure such as natural phenomenon's or due to phenomenon's which cannot be traced to the product.
- Use of the product in combination with inappropriate products and / or components.
- Modifications and disassembly of the product without formal authorization from WAY.
- Lack of following the instructions concerning the use of software applications not included in the product and which govern the product.

The warranty does not cover the costs traced back to the substitution of materials subject to consumption and/or usage, to activity of disassembly and re-installation, and to the activity of common maintenance which is the responsibility of the customer.

The present warranty releases WAY from any responsibility related to products supplied.

WAY is thus not responsible in relation to costs, accidents, losses and/or damages derived from customers and third parties due to the product chosen, installation and use of the product.

The customer is responsible for the adequacy of the product requested for the use and application for which it is destined and he is also responsible, and based on the rights and laws, of the information to their customers.

APPLICABLE LAW AND JURISDICTION

For the interpretation and application of the general sales and warranty conditions the laws of the Italian Civil Code will be valid.

The Bologna Court is the competent court for any controversy.