GENERAL TERMS AND CONDITION OF SALES

1.(Applicable Law) – This sales contract is disciplined by the general terms and conditions contained herein and by the internal provisions of current Italian law on the subject with the express exclusion of the Vienna Convention on Contracts for the International Sale of Goods dated 11 April 1980 and other Agreements in force concerning international sales.

2. (Formation on the Contract)

2.1 The order is understood to be accepted only by virtue of the seller's written confirmation. Up until that moment offers and quotations formulated by the seller or by its agents, representatives or helpers are not binding for the seller.

2.2 Any general conditions of the buyer will not be applicable partially or otherwise if not expressly accepted in writing by the seller.

2.3 The subject matter of the sale is solely and exclusively that witch is indicated in the order confirmation of the seller.

2.4 The contract of sale is understood to be executed in the moment that the seller has received back its order confirmation by the deadline indicated therein duly signed by the buyer for acceptance or when before said moment the consignment of the goods to the buyer has been carried out or the contract in any event has been executed by means of conclusive behavior.

3. (Drawing and documentation of the seller)- The prices and all the data, technical and non, shown in the descriptive and commercial documentation (leaflets, brochures, price list, etc.) of the seller with the exception of the matters indicated in the order confirmation , are of an indicative non-binding nature. Any drawings documents technical information or software, relating to the fabrication, assembly or maintenance of the system ore machinery or other goods as well as those relating to parts of the same, and any other drawing document technical information or software of the seller sent to the buyer before or after the execution of contract, remain the exclusive property of the seller. This material may not be exploited or otherwise utilized by the buyer, directly or indirectly, for purposes not pertaining to the contract without the written consent of the seller.

4. (Packaging)- The packaging prepared by the seller unless otherwise agreed between the parties and necessary in order to avoid damage or deterioration of the materials under normal transport conditions for the destination established in the contract, must be understood to be workmanlike if accepted, with our reserve by the carrier. The packaging may not be returned to the seller.

5. (Delivery)

5.1 Unless agreed otherwise, the delivery period runs from the latter of the following dates: a) the date of the execution of the contract. B) the date when the seller receives news of the granting of a valid import license, when said license is necessary for the execution of the contract.

5.2 The buyer declares that the goods may be freely imported and formally undertakes to make full payment for the same, even if at the time of importing the goods in the country of destination, limitations or bans in this regard have intervened.

5.3 The delivery terms are understood to be approximate in favour of the seller and in any event involving an adequate margin of tolerance.

5.4 In the event of split deliveries, in no event may the delay or failure to carry out one or more deliveries lead to the right of the buyer to terminate the contract in relation to the deliveries already made or future ones.

5.5 The buyer is always liable to receive delivery of the goods, even in the event of partial deliveries.

5.6 If the buyer has not taken delivery of the goods on a timely basis for reasons not attributable to the seller, the buyer will incur all the expenses and the risk which may derive and all the amounts due to the seller for any reason will become immediately exactable.

5.7 The delivery date will be extended for a period equal to that of the duration of the impediment on occurrence of causes not dependent ion on the will of the seller and the buyer such as strikes of any kind fires, floods, power cuts lack or scarcity of raw materials, malfunction and accidents at the production plants of the seller delays in granting authorizations of the authorities and other impediments independent from the will of the parties which temporarily render the delivery impossible or excessively onerous.

6. (Transfer of the risk) – Whatever the transport and return/shipment methods specified in the particular conditions of the contract are, the goods travel at the risk of the buyer, even in the event, of return carriage paid ("*franco destino*"), or any other equivalent or similar clause relevant for the sole purpose of disciplining the breakdown of the transport costs. The goods are not insured by the seller unless written request is made by the buyer who in that event undertakes the related expense involved.

7. (Ownership)

7.1 Ownership of the goods is transferred at the time of delivery to the buyer, if at that time the price has been paid in full.

7.2 In the event of sales paid by installment, the buyer acquires ownership of the goods delivered on payment of the last installment of the price, but undertakes the risk from the time of delivery. In this case, the buyer remains the depositary of the goods and the materials belonging to the seller until the moment the purchase price is paid in full.

7.3 If the buyer falls to pay one or more installments equal to an eighth part of the price, the seller will have to right to terminate the contract and re-take possession of the goods.

7.4 The buyer undertakes, in any event, to do all that is necessary for the purpose of establishing a valid reserve of ownership in the most extensive form allowed in the country in which the delivered goods are, and to establish a similar form of guarantee (e.g. security interest etc.) in favour of the seller which is likewise opposable to third parties. If said law does not allow the seller the condition right of domain (reservation of title), the seller has the right to benefit from all those other right on goods which the law in question permits him/her to reserve for themselves.

7.5 The buyer may not re-sell, cede, provide as collateral or in any event carry out any other act of disposal, secured or unsecured, in relation to the goods acquired without first having fully paid the price to the seller, the buyer must also immediately inform the seller, by means of registered letter, of the existence of any legal procedures (enforcement, bankruptcy, etc) brought as well as any other act carried out by third parties detrimental the possessory title reserved on the machines.

7.6 The goods subject to conditional right of domain or any other similar guarantee afforded in accordance with this provision, must be installed, from the moment of delivery until the complete and exact payment of the full price, at the domicile originally established in the contract of sale without the possibility of transferring said goods to other locations.

7.7 In the event of violation of the obligation of the buyer anticipated in this article the seller will have the right to terminate the contract with immediate effect, holding back the amounts already paid by way of penalty and subject to additional damages.

8. (Price and Payment)

8.1 The price of the goods is always understood to be net of transport costs, insurance, installation, assembly and assistance, also excluding packaging – calculated separately – and may be increased at the discretion of the seller also during the performance of the sales contract if during said period of time any increase in the production costs has taken place.

8.2 The price of the goods, and also any other amount due to the seller for any reason, is understood to be net at the domicile of the seller.

8.3 In the event of breach of the terms and conditions of payment, or financial difficulties of the buyer which have occurred after the execution of the contract, the seller is exonerated from any delivery obligation, even relating to goods other than those to which said inobservance refers. In such case, the buyer forfeits the benefit of the term and consequently the seller has the faculty to demand immediate payment of the whole amount due without prejudice to its right to withdraw from the contract holding back the amounts paid by the buyer up to that point by way of partial advance settlement of the damages and with due reserve to additional damages.

8.4 The buyer may not enforce any non-fulfillment of the seller nor enforce the guarantees indicated in Article 9 below, if it is not up-to-date with the payments, any non-fulfillment of the seller, will not permit the buyer to suspend or delay payments.

8.5 Delays in payments with respect to the dates established will involve the automatic charging of interest without the need for any request, at the official discount rate in force in the country of the seller, up-lifted by three points as well as the exclusion of the guarantee pursuant to Article 9 until settlement of payment outstanding.

8.6 The payment must always be made in the legal tender in force in Italy.

8.7 The goods will be insured, to the diligence of the seller and at the buyer expense, solely on the express written request of the buyer, involving the consequence that, lacking insurance coverage, all risks for losses and/or damage will be to the exclusive charge of the buyer.

9. (Warranty)

9.1 The warranty is limited to the repair or the replacement of the faulty parts due to production defects with the exclusion of the parts subject to usual wear and tear, as well as faults caused by overloads. Furthermore, the seller is not responsible for the compliancy defects of the machine and faults deriving indirectly or otherwise from any documentation, technical or non, and from any other matter supplied indicated of request by the buyer or by third parties who act, for any reason on behalf of the latter.

9.2 Likewise, the seller is not responsible for the compliancy defects of the machine and faults caused by the failure to observe the instruction anticipated in the instruction manual and in any event by incompetent use or handling of the machine. Neither will the seller be responsible for compliancy defects or faults which depend on erroneous use of the machine by the buyer or if the latter has made changes or repairs without the prior written consent of the seller or, in any event, for those defects due to causes which arise after the transfer of the risk has taken place.

9.3 **This warranty has a duration of 6 month as from the date of delivery.** The warranty for the parts replaced or repaired expires on the same day as the expiry of the warranty indicated in Article 9.1 above. The buyer, on penalty of forfeiture, must report the compliancy defect or the fault of the machine to the seller, specifying in detail and writing the nature, within 8 day of delivery. The buyer also forfeits the warranty as per Article 8.4 and 8.5 or if the seller having requested replacement of the faulty parts at its expense the buyer fails to replace said part within a brief period of the request.

9.4 The seller, after having ascertained the existence of the defect, must carry out the repairs and/or replacements with shipment and re-forwarding expenses for the part, travel and board and lodging to the charge of the buyer.

9.5 If the faulty machine must be returned to the seller for any repairs, it must be sent ex-factory of the seller and, in the same way, the seller will take steps to return the machine to the buyer ex-works of the seller.

9.6 The warranty indicated in this article fully covers and replaces the warranties or liability provided by law and excludes all other liability of the seller in any event originated by the goods supplied; in particular, the buyer may not raise other request for compensation or damages, not even if the machine is down, reduction in price or termination of the contract, partial or otherwise. Once the duration of the warranty has elapsed, no claims may be enforced against the seller.

9.7 Any and all statutory and/or common law implied warranties or conditions relating the products or any parts sold by seller to purchaser, including but not limited to implied warranties for conditions of merchantability or fitness for a particular purpose, hereby are excluded.

10. (Testing trials and acceptance)

10.1 The testing and trial of the machines is carried out at the premises of the seller or by an appropriate body appointed by the seller in accordance with this provision, testing and trial does not mean the final start of the textile machine.

10.2 The seller against express agreement in writing may undertake the obligation to assemble the machines, limiting itself for this purpose to providing the component technical personnel with costs to the charge of the buyer. The latter must take steps to insure its staff and for the same must be personally liable, even when said staff work under the direction of the seller's personnel.

10.3 Within 8 days of the date of delivery of the machine, the buyer must issue written declarations of acceptance of the machines themselves, even if they are lacking for any reason the application of any accessory and/or device which does not prejudice their running in any event, the acceptance is understood to have taken place within the deadline of 8 days from delivery if no specific written complaints have been made.

11. (Sales on approval)

If the seller deems to carry out sales on approval in favour of the customer, the following conditions must be taken into account: the transport costs from the premises of the seller to the destination will be to the charge of the latter; the transport costs in the event of the return of the machine due failure to sell at the end of the trial period will be sustained by the customer. The return of the machine on trial must be made by and not beyond ninety (90) days of the date of the start of the trial period, unless otherwise agreed in writing.

12. (Final provisions)

12.1 If the contract is drafted and signed in several languages the Italian text will always be the prevailing one.

12.2 The contract may not be transferred or assigned by the buyer without the prior written consent of the seller.

12.3 Any disputes deriving from the contract or associated with it will be dealt with under the exclusive competence of the court of the seller, however, by way of departure to the above the seller will always have the right to apply to the court of the buyer.

The Buyer _____

Express approval: the buyer declares that he/she accepts the following articles as indicated above in accordance with and for the purposes of Article 1341 of the Italian Civil Code 1 (applicable law); 2.4 (execution the contract); 4 (packaging); 5.2 (payment of the price in the event of the impossibility to import the goods); 5.3 (indicative nature of the delivery terms); 5.4 (split deliveries and impossibility terminate contract); 5.5 (obligation to take delivery); 6(transfer of the risk); 7.2 (reserve of ownership and undertaking of risk), 7.3 (termination and recovery of the goods); 7.5 (ban on acts of disposal for goods not fully paid for), 7.7 (termination and penalties); 8.1 (price variations); 8.3 (exemption from delivery obligation and taking of price); 9.2 (exemption from liability for faults and defects deriving from charges request by the buyer); 9.3 (exemption of seller liability due to incompetent use or maintenance of goods); 9.4 (duration of warranty claim deadline forfeiture); 9.7 (full coverage nature of warranty agreed); 10 (testing, trial and acceptance); 12.3 (exclusive competent court).

The Buyer _____