

GENERAL CONDITIONS OF SALE

1. **INTRODUCTION** - Supplies include only what is specifically itemised in Marzoli's order confirmation and are governed by the present general conditions of sale. Any changes will be valid only if made in writing. The order confirmation must be returned to Marzoli within ten (10) days duly undersigned, bearing the buyer's stamp and signature - in case the said order confirmation is not returned Marzoli has the right to consider the order cancelled. Eventual changes requested by the buyer after having signed the order confirmation always have to be accepted by Marzoli in writing and can lead to changes in delivery times, agreed prices and terms of payment.
2. **SHIPMENT** - Shipment is made in the manner and by the means chosen by Marzoli, without insurance coverage and at the buyer's risk and peril. The integrity of packaging shall be duly verified by the buyer upon receipt of the shipment while verification of the material must be made in the presence of a Marzoli official. Weights and sizes are understood to be approximate and only those acknowledged at the time of shipment are considered valid. Packaging is not returned to sender, unless otherwise agreed.
3. **DELIVERY** - Delivery terms are indicative and start from the complete definition of all technical details of the supply. The delivery term will be extended with a period equal to the period of time of impediment, when causes arise which are not depending on Marzoli, like force majeure, strikes of any kind, absence of power, lack or shortage of raw materials, delays in deliveries of suppliers, failures at or accidents to Marzoli's production equipment and other obstacles which make delivery, temporarily, impossible or too complicated. Anyway, any kind of liability of Marzoli is excluded for damages deriving from too early, delayed or failed deliveries, total or part thereof.
4. **PRICES AND TERMS OF PAYMENT** - Prices are considered for machines ex works Marzoli and do not include any kind of transport, insurance, assembling costs, unless otherwise agreed upon in writing between the parties. Marzoli has the possibility to ask for price adjustments in relation with increased production costs due to a price variation of raw materials, workers and other operational charges, according to the ACIMIT formula (Association of Italian Manufacturers of Industrial Textile Machinery). Any delays in payment are subject to interest at a rate of the official discount rate increased by three (3) points.
In case of payment with L/C:
 - 1) The L/C has to be valid until last shipment plus two months
 - 2) The L/C must be payable against presentation of the following:
 - a) original of seller's invoice
 - b) original of forwarding certificate
 - c) original of certificate of origin
 - d) original packing list
 - 3) Expenses related with L/C opening, including L/C confirmation, will be covered by the Buyer.
5. **RESERVATION OF TITLE AND LIEN** - The sales contract is stipulated with reservation of title pursuant to art. 1523 of the Italian Civil Code or alternatively, with reservation of lien pursuant to art. 2762 cc. In any case, the supply remains the exclusive property of Marzoli until full payment of the price has been effected. In case of non-payment of the price, or part thereof as at the due date agreed upon, it is Marzoli's right to demand full settlement in a single payment of the remaining debt, or to terminate the contract withholding the instalments already collected as payment for the use of the items supplied; without excluding the right of reservation of lien pursuant to art. 2762 cc. The buyer must fulfil all requirements and obligations necessary for the efficacy of said reservation of title and lien provided in favour of Marzoli, including vis-à-vis third parties; otherwise Marzoli may make provisions therefore in substitution of the buyer, recovering from same all the costs incurred.
6. **ASSEMBLY** - Assembly and putting into operation of the machines are carried out by specialised personnel that Marzoli places at the buyer's disposal. Any matters not dealt with herein, are governed by Marzoli's general assembly conditions, which are herewith specifically and completely recalled.
7. **TESTING** - The testing of the machines will be carried out at the buyer's location. The test has to be considered done with positive results in case no specific written contestation from the buyer, regarding eventual conformity failures of the machines or failures in carrying out the assembly, during or immediately after termination of the test. When the buyer does not authorise to effect any testing, these can be considered done with positive results. The buyer declines any right, warranty, action and exception regarding conformity failures of the machines which could have been revealed during the testing when the buyer did not specifically notify in writing the conformity failures of the machine during or immediately after the test; and the existence of these failures does not appear from the eventual test report, drawn up by Marzoli (Protocol for delivery of machines).
8. **WARRANTY** - Marzoli guarantees the good quality of their machines and components. The warranty does not apply in case the buyer did not use and did not affect a correct maintenance on the machines, neither warranty applies in case the machines have been modified or repaired without the written consent of Marzoli. Furthermore, Marzoli cannot be held responsible for failures due to normal wear of those parts that are naturally subject to quick and continuous wear. Any possible defects must be declared without exception within eight (8) days after discovering the defect. The warranty, pursuant to and for the effects of art. 1490 cc, has duration of 12 months from the signature of acceptance protocols and anyway no later than 18 months after machines' shipment,

Signature of the buyer

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independently of the use of the machines supplied. The expiry date of the warranty cannot be extended because of eventual repairs or replacements carried out in course of the warranty. Warranty is limited to reparation or replacement of the parts acknowledged to be defective by Marzoli due to manufacturing or material defects. Marzoli reserves the right to ask the Buyer to return the replaced parts. If such parts are not returned Marzoli might invoice them to the Buyer and / or interrupt the relevant warranty. Warranty is not operative in case the buyer is not up-to-date with the payments. Marzoli excludes every liability connected to direct or indirect damage arising from non-production, plant downtime, etc. both vis-à-vis the buyer as well as any third parties involved. The present warranty takes over and replaces legal warranties for defects and non-conformities and excludes any other eventual liability for Marzoli deriving from the supplied machines; especially the buyer cannot put forward requests for indemnity, price reduction or cancellation of the contract.

- 9. **ASSIGNMENT OF THE CONTRACT** - The rights and liabilities arising from the present contract cannot be transferred by the buyer without Marzoli's written consent.
- 10. **LIMITATIONS TO REQUEST AND EXCEPTIONS** - No request or exception can be put forward by the buyer in case he is not perfectly up-to-date with the payments.
- 11. **APPLICABLE LAW DISPUTES** - For any issue not dealt with in the present general conditions, the Italian Law applies. For eventual disputes regarding or connected with contracts to which the present general conditions apply, the Court of Brescia is exclusively competent; anyhow Marzoli has the right to act at the Court of the Buyer.

Date

Signature of the buyer

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Pursuant to the terms of arts. 1341 and further articles cc, the following clauses are hereby specifically approved: **1-** Introduction; **4-** Prices and Terms of payment; **5-** Reservation of title and lien; **7-** Testing; **8-** Warranty; **10-** Limitations to request and exceptions; **11-** Applicable Law-disputes

Signature of the buyer

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GENERAL CONDITIONS OF ASSEMBLY

VALIDITY - These conditions are valid for assembly and/or starting up operations of the machines sold by Marzoli.

TECHNICAL DOCUMENTATION - All the technical documentation, received for any reason whatsoever, cannot be either partially or totally copied, reproduced or communicated to third parties, by any means, without Marzoli's prior written consent.

BUYER'S OBLIGATIONS - The buyer shall make provisions, at its own expense and under its own liability, for all the work necessary to allow assembly of the machinery to be performed correctly, pursuant to the specifications supplied by Marzoli, and in compliance with all safety regulations, so that assembly operations can be carried out without interruption. The buyer shall inform Marzoli in writing, before the beginning of assembly operations, of the particular precautions which must be taken by the Marzoli technicians for the work to be done at the buyer's premises. The intervention of the Marzoli technicians to begin assembly operations shall be requested only when all the preliminary work has been completed (building works in general, floors, doors, galleries, electrical plant for power and lighting, water systems, air conditioning plants, etc.). The opening of the cases containing the machines must be performed in the presence of Marzoli personnel. Marzoli has the right to immediately halt assembly operations if the safety of its own personnel is not guaranteed or if conditions are created which could compromise the proper running of the machines. Should the buyer not fulfil all or part of its obligations as regards the realization of optimal environmental conditions, the Marzoli personnel shall have the right to provide in lieu for such lack, save their right to interrupt assembly operations. Should Marzoli, after having informed the buyer thereof, proceed to make up for the lack as stated hereinabove, all relevant expenses shall be charged to the buyer. If any Marzoli personnel should fall victim to an accident or illness, the buyer shall provide the best possible assistance. The buyer must, at its own expense, place at least 2 (two) qualified mechanical fitters and 4 (four) general assistants at the disposal of each of the Marzoli technicians, two qualified electricians, and in any case, all the personnel and the equipment that Marzoli considers necessary; these workers must adhere to the instructions of the Marzoli personnel and observe the same working hours as the Marzoli technicians. The buyer is liable for any damages caused by its own personnel, even if the workers are at the orders of the Marzoli technicians, unless it is proven that the damage has been caused by the erroneous instructions given by Marzoli personnel. The buyer shall make a telephone line, with telephone and fax, available to the Marzoli personnel at the place where assembly is performed, for the use of the Marzoli technicians, to be used sparingly and only for reasons inherent to the work being done.

WORKING HOURS - Working hours are between 40 (forty) and 48 (forty-eight) hours a week, distributed over 5 (five) or 6 (six) working days. If for reasons not attributable to Marzoli, reduced working hours are observed, the relevant invoicing, where provided for, shall be done on the basis of a normal day of work (8 hours daily). The working hours of the Marzoli technicians shall be distributed according to the agreement reached with the buyer and in any case must be between 6 a.m. and 8 p.m.

TRAVEL TIME - Travel time is counted as working hours. Travel time includes the time required for the trip from the Marzoli offices to the working place; if the time required to go from the place of stay to the workplace is less than 60 minutes a day, then it shall not be considered as travel time.

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CONDITIONS BEFORE ASSEMBLY

Before sending our technicians to start with the assembly of the machines, we must obtain your confirmation that the following works and material preparation have been successfully performed:

- provision of skilled mechanics, electricians and a full team of unskilled helpers for material cleaning and handling -as written in the sales contract;
- flooring, false ceilings, lightings and masonry works have been fully completed;
- preparations of floor holes for the machinery erections;
- preparations of electric and pneumatic networks (compressed air), air conditioning (with filters);
- pipings for raw material and waste transportation;
- availability of the auxiliary tools for the erections (i.e.: transpallets, forklifts, ladders,..);
- availability of the relevant accessories for the production (i.e.: cans, lubricants, tubes, ..);
- availability of sufficient raw material for the start up and testing of the machinery.

In order to avoid delays and inefficiency during the erection stage, we kindly ask you to verify all the previous points.

In case of delays, not imputable to Marzoli, we will be obliged to invoice the exceeding working hours and all expenses incurred for the stay of our erectors.

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GENERAL CONDITIONS FOR SERVICE SUPPLY

POWER SUPPLY AND THERMO-HYGROMETRIC CONDITIONS OF THE SPINNING MILL MACHINES STORAGE

A) DEFINITION OF THE PARAMETERS FOR THE POWER SUPPLY

The alternate power supply AC for our machines 3PH 400 V + PE HZ 50 or 3PH 440 V + PE HZ 60 must conform to the EN 60204-1 (4.3.2)

VOLTAGE	Steady state voltage : from 0,9 to 1,1 of nominal voltage
FREQUENCY	From 0,99 to 1,01 of nominal frequency continuously; 0,98 to 1,02 for short time
HARMONICS	harmonic distortion not exceeding 10% of the total r.m.s. voltage between live conductors for the sum from the 2nd through the 5th harmonic. An additional 2% of the total r.m.s. voltage between live conductors for the sum from the 6 th through the 30th harmonic is allowed.
VOLTAGE UNBALANCE	Neither the voltage of the negative sequence component nor the voltage of the zero sequence component in the three-phase supply must exceed 2% of the positive sequence component of the power supply.
VOLTAGE INTERRUPTION	Supply interrupted or at zero voltage for no more than 3ms at any random time in the supply cycle with more than 1s between two successive interruptions.
VOLTAGE DIPS	Voltage dips not exceeding 20% of the peak voltage of the supply for more than one cycle with more than 1s between two successive dips.

THE GROUNDING SYSTEM MUST BE THE TN-S according to the CENELEC HD 384 - IEC 60364-1

ICC max in the installation point 10 KA EN 61439-1 (3.8.7)

B) DEFINITION OF THE THERMOHYGROMETRIC CONDITION OF THE ELECTRICAL BOXES

The room temperature for all electrical equipment correct operation must be between +5 °C and +40 °C. The air in the box should not raise above 35° C in the 24 hours with a relative humidity between 30% to 50%. Higher relative humidity are allowed at lower temperatures. Over 1000 m. above the sea level the temperature should be reduced linearly by 8°C each 1000 m.

C) MACHINE STORAGE

The eventual storage of the machines must be in a specific covered area with a temperature not lower than +10° C - RH 70% max.

THE WARRANTY ON THE MACHINES WILL BE NUL AND VOID IF THE ABOVE MENTIONED CONDITIONS ARE NOT FULFILLED.

Date

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