

GENERAL CONDITIONS

Art. 1. Commercial terms of delivery and definitions

1.1 Any reference in this Contract to commercial terms of delivery, for example "EX WORKS", "FOB", "CIF", etc. shall be deemed to have the meanings ascribed to them in the version in force as at the date the Contract is entered into of the "Incoterms" of the International Chamber of Commerce.

1.2 For the purposes of this Contract, the following terms shall have the meanings duly indicated below.

- "Contract": shall mean the conditions and agreements concluded between the parties relating to the supply of the subject matter of this Contract.
- "Parties": shall mean the parties involved which have signed this Contract.
- "Buyer": shall mean the party buying the subject matter of this Contract.
- "Seller": shall mean the party selling and/or supplying the subject matter of this Contract.
- "Goods, machinery, equipment, plant, services or spare parts": indicated in whole or in part, shall mean the subject matter of this Contract to be supplied.
- "Engineering": shall mean the drawings and plans relating to the installation of the machinery which shall be supplied by the Seller to the Buyer and which are indicated in the Enclosures. All drawings and plans relating to civil works and the general systems and plants shall not however be included in the engineering.
- "Know-how": shall mean the technical knowledge, the formulae, the procedures, the instructions and the indications which may be used in relation to the type of production provided in the Enclosures, which are communicated by the Seller to the Buyer in accordance with the terms of said Enclosures.
- "Yard, assembly site": shall mean the place where the building or the buildings in which the machinery supplied by the Seller shall be assembled.
- "Place of destination": shall mean the place to and in which such items as the Seller shall supply for the purposes of installing the machinery shall be delivered and stored. This place may be the same place as the Yard.
- "Shipment": shall, as the case may be, mean (i) the delivery of the machinery, spare parts and equipment referred to above by the Seller to the first carrier (or other person designated by the Buyer or chosen by the Seller in accordance with the applicable Incoterm and/or the terms of this Contract) or (ii) the putting of the goods at the Buyer's disposal in the case of an Ex Works delivery.

Art. 2. Subject matter.

2.1. The subject matter of this Contract shall consist exclusively in the supply, by the Seller to the Buyer, of the machinery, spare parts, equipment, engineering, know-how and services relating to the assembly, start-up and acceptance test which are expressly and respectively indicated in the Enclosures to this Contract. Without

prejudice to the Seller's warranty obligations pursuant to Art. 14 below, it is understood that any other supply of machinery, goods and/or services are excluded from this Contract.

Art. 3. Prices.

3.1. The prices agreed between the Seller and the Buyer shall be deemed fixed and unchangeable provided that the Contract enters into force and effect no later than 3 months after the date of signature thereof in accordance with the terms of Art. 24 below.

Art. 4. Means of payment of the price. Claims.

4.1. The payments due from the Buyer shall only be deemed to have been made at such time as the relevant funds have been credited to the Seller's current account at the bank indicated by the Seller.

4.2. In the event of any unjustified delay in payment by the Buyer, the Seller shall be entitled, at its sole discretion, to charge interest on late payments at a rate equal to LIBOR over six months (or EURIBOR over 6 months where the Contract is denominated in Euros), calculated as at the original or deferred due date and increased by a spread of seven percentage points, or at any maximum rate possibly provided for by the applicable law, wherever this is lower. It is understood that the terms of this Article shall be a variation to any provisions of the law which provide that interest on late payments shall automatically start to run as of the relevant due date, but in any event the terms hereof shall be without prejudice to any and all of the Seller's rights arising out of the Buyer's failure to pay the price on the relevant due date/s.

4.3. Any possible claim concerning the performance and the carrying out of this Contract shall not entitle the Buyer to suspend or delay payments.

4.4. The Seller shall be entitled to terminate this Contract in the event that the Buyer fails to duly fulfil its obligations to pay the price (including the failure to make the advance payment) despite of three reminders, in accordance with the terms hereof.

4.5. Either party may terminate or suspend performance of this Contract by sending a notice to that effect to the other party in the event that the other party is put into liquidation or becomes subjected to any other form of insolvency proceedings, or in the event that the assets of said other party change substantially so as to clearly endanger the ability of said other party to carry out its obligations hereunder.

4.6. In the event of any material breach by the Buyer of its obligations hereunder, which exists especially when:

- the collection and/or supply of the machinery is not possible in due time through the Buyer's fault.
- any information, equipment, materials etc. to be provided by the Buyer are not made available at all or in due time,

then, in addition to any rights that the Seller may have under Art. 6.2 below, the Seller shall be entitled to retain, by way of liquidated damages, the advance payment made by the Buyer, without prejudice to the Seller's right to claim compensation for any further damages suffered.

Art. 5. Retention of title.

5.1. In the event that payment, be it in whole or in part, is to be made after delivery, then, to the extent permitted under the laws of the country where the delivered machinery (including any possible equipment and spare parts) is located, the Seller shall retain title thereto until full payment of the price.

5.2 Should the Buyer fail to pay even one instalment, which is greater than an amount equal to one eighth of the total purchase price of the goods or should the Buyer fail to pay two instalments, in accordance with the terms hereof, then the Seller shall be entitled either to terminate the Contract with effect as of such time as notice has been given to the Buyer or to declare that the Buyer has lost its right to pay on an instalment basis and demand the immediate payment of all or part of the amounts outstanding. In the case of termination of the Contract for reasons attributable to the Buyer, the Seller shall be entitled to obtain the immediate return of the machinery sold and shall also be entitled to retain any instalments received from the Buyer by way of compensation for the use of the machinery, without prejudice to the Seller's rights to claim compensation for any further damages suffered.

5.3. The Buyer hereby undertakes to take all steps necessary in order to either (i) create a valid retention of title in said country in favour of the Seller, which retention of title is in the widest form permitted under the laws of said country and is duly enforceable, *inter alia*, as against third parties or (ii) create a guarantee in favour of the Seller which has the same legal value and effect as such a retention of title.

5.4. The Buyer hereby acknowledges that the machinery, even where affixed and/or anchored to the floor, may not, in any event, be deemed as being incorporated into or being fixtures of the land and that such machinery shall not attach to the land itself and accordingly the Seller shall retain title to the machinery until full payment of the price. By signing this Contract, the Buyer declares that it grants the widest rights possible in favour of the Seller with regard to the above.

5.5. The Buyer hereby undertakes not to sell or assign the machinery to, or allow use of the machinery by, third parties, as well as not to remove the machinery without the Seller's consent which shall be provided in accordance with the terms of Art. 20 below.

5.6. Any possible waiver by the Seller of the terms of this Article must be in writing.

Art. 6. Terms of delivery.

6.1. The deliveries of the machinery (incl. any possible equipment and spare parts) shall be carried out in accordance with the shipment schedule specifically agreed between the parties and duly set forth the Enclosures and the proper shipment schedule. The dates for the delivery of the engineering and know-how are also indicated in said schedule.

6.2. Any delay by the Buyer in providing any information or carrying out any tasks which are necessary in order for this Contract to be performed, or equally any delay by the Buyer in fulfilling its obligations under this Contract (in

particular, its obligations to pay the amount due by way of the advance payment, to open documentary credits, to provide and/or create guarantees, to send credit instruments, *inter alia*, to be held on fiduciary deposit or to comply with other payment terms) shall entitle the Seller to postpone the delivery of the machinery, spare parts and equipment, as well as the engineering and know-how, for a period corresponding to the length of the delay on the part of the Buyer, without prejudice to any other right of the Seller hereunder.

6.3. In the event that this Contract includes the supply of a set of spare parts which has yet to be decided, then the Seller shall be entitled to propose a list of spare parts which, unless amended by the Buyer within 45 days following the date on which said list is sent, shall be deemed accepted by the Buyer and thus have become an integral part of this Contract. In any event, it is hereby agreed that the supply of the above-mentioned spare parts shall not be taken into account for the purposes of the timing as per the Enclosures and for the purposes of the date as of which the payment terms hereunder shall begin to run.

6.4. In the event that the Buyer fails to comply with the payment terms relating to the supply of goods and services hereunder or relating to other goods which are in the process of being supplied or which have already been supplied, then, in addition to the rights afforded to the Seller under Art. 4.4 above, the Seller shall be entitled to suspend delivery.

6.5. All events of force majeure pursuant to Art. 19.1 below, will cause the agreed delivery schedule to be postponed by a period corresponding to the duration of the particular event of force majeure, but it being nevertheless understood that said period must be appropriate for the purposes of performing this Contract, without prejudice, in any event, to the terms of Article 19.2 below.

6.6. Without prejudice to the terms of Art. 6.5 above, in the event that it is not possible to deliver the machinery (incl. any possible equipment and spare parts) which are ready for shipment for reasons beyond the Seller's control, then once 15 days have passed from the Seller having advised the Buyer, pursuant to Article 20 below, that the goods are ready, then the Seller shall be entitled to issue the relevant invoice and put into effect the agreed payment terms, subject to the above machinery, equipment and any possible spare parts being deposited, in the name and on behalf of the Buyer; it being understood that all risks and expenses relating thereto shall be borne by the Buyer. In the event of the above circumstances, if necessary, the Seller shall also have the right to appoint a forwarding agent, in the name and on behalf of the Buyer, and duly arrange the transportation and delivery of the goods (excluding customs clearance) to the place of destination.

6.7 The Seller shall raise no objections to any request by the Buyer to inspect the machinery (including any possible equipment and spare parts) in order to verify the quality and quantity thereof prior to each shipment, provided that (I) the person who shall undertake the inspection is acceptable to the Seller (it being understood that the Seller may not unreasonably withhold its acceptance) and does not operate in firms which are in

competition with the Seller and (II) such request is made in accordance with the terms of Art. 20 below and communicated to the Seller in writing at least two months prior to the date agreed upon (be it the original date or the re-scheduled date) for shipment. Such an inspection shall be carried out directly by the Buyer in good time before each shipment after the Seller has given the Buyer notice, in a timely manner, that the machinery is ready for inspection. All expenses relating to any such inspection, including those incurred by the Seller in the event of any operational tests required by the Buyer, shall be borne by the Buyer.

6.8. In the event that the Buyer for any reason requests the Seller to postpone, in whole or in part, the delivery of the goods under this Contract, or in any case commit any acts or omissions which delay or impede the delivery of such goods, then the Seller shall be entitled - by way of alternative to the terms of Art. 6.7 above and without prejudice to any other right arising at law or under this Contract - to keep the goods in storage at its premises or those of third parties and charge the Buyer (said charges to run as of the date of the notice that the goods are ready) liquidated damages as indicated below in consideration of both the costs relating to the storage of the goods and the increased financial costs borne by the Seller as a result of the non-delivery of the goods:

- for the 1st month of storage: no liquidated damages shall be due;
- from the 2nd to the 4th month of storage: liquidated damages equal to 0.55% of the agreed price for the goods in storage shall be due for each month or part thereof;
- from the 5th to the 12th month of storage: liquidated damages equal to 1.10% of the agreed price for the goods in storage shall be due for each month or part thereof.

By way of consideration of the above-mentioned liquidated damages, which are to be paid by bank transfer to the bank account indicated by the Seller, the Seller undertakes that the goods shall be stored in a manner which is suitable for the purposes of protecting them from factors/elements which may cause them to deteriorate; without prejudice to the above, any warranty, assumption of responsibility or risk on the part of the Seller in relation to said goods and their time in storage is hereby expressly excluded.

Subject to any possible written agreement between the parties with regard to the storage of the goods for a fixed period of time, the Seller shall be entitled at any time to effect delivery or in any event demand that the Buyer takes delivery of the goods upon the Seller's first request and the Seller shall be entitled to enforce any of its rights arising at law or under this Contract.

Should the Buyer not fulfil its obligation to pay the above-mentioned liquidated damages, then the Buyer shall not be entitled to the payment of any amounts which may possibly be due to it from the Seller for any reason under this Contract.

6.9. Any possible modifications which the Seller may regard as being necessary, during the course of this Contract, due to local conditions or which may be deemed advantageous as they amount to technical and/or

technological improvements which have occurred in the meantime, shall be allowed by the Buyer provided that the Buyer is duly informed thereof and does not have to bear any further costs for said modifications and provided that the production warranties indicated herein are fulfilled. If on the other hand said modifications do give rise to additional costs, then they may be carried out with the Buyer's approval and at the latter's expense.

6.10. In the event that the terms of payment agreed between the parties require the negotiation of documents and instruments which represent the goods (for example, but not by way of limitation, Bills of lading), the Seller shall not be liable for delays - caused by the time required, or in any event not caused by negligence on the part of the Seller - in the circulation/transmission of said documents and instruments.

6.11. In addition to the above mentioned it is agreed between the parties, that there are 2 separate milestones concerning the delivery of the goods and concerning the assembly and the commissioning of the kiln.

Both parties agree, that upon delivery of the goods, all risks and rewards thereto are transferred to the buyer, without prejudice to the seller's obligation in relation to the execution of the contract.

Art. 7. Delivery and packaging.

7.1. The machinery (including any possible equipment and spare parts) indicated in the Enclosures shall be delivered by the Seller to the Buyer appropriately packed. It being understood that the packaging provided by the Seller is suitable for a period of storage/transit not exceeding 60 days. Provided that the Buyer advises the Seller sufficiently in advance that the goods may be in storage/transit for a period exceeding 60 days, then the Seller may supply the Buyer, at the latter's expense, with different packaging.

7.2. It is understood that all risks shall pass to the Buyer in accordance with the agreed delivery term (Incoterm). With each shipment the Seller shall send the Buyer a copy of the invoices and a packing list.

7.3. The material support in respect of the engineering of the Seller shall be delivered directly to the Buyer, which shall provide a written receipt therefore, or it may be delivered by registered post or by courier but also by CD or in electronic form.

7.4. In the event that the parties agree that the goods which are the subject matter of this Contract are to be delivered with insurance being arranged by the Seller and at the latter's expense, then in the event of any damage being caused to the goods, the Buyer is obliged to do the following, failing which it will lose any and all rights to damages:

- immediately advise the insurers of any notices or information relating to the occurrence/damage;
- recover the insured goods and keep them safe;
- safeguard and keep any claims against third parties alive, duly taking all necessary steps, under its own initiative.

With regard to any such event, the Buyer must also comply specifically with the terms of the Enclosures to

this Contract.

Art. 8. Storage of the goods by the Buyer. Damage, deterioration and theft of the goods.

8.1. The goods which are shipped shall be stored by the Buyer at the place of destination and/or at the Yard in premises which are suitable for the purposes of protecting the goods from any type of damage or deterioration, and insured, at the Buyer's expense, against risks of theft, fire, destruction and catastrophes.

8.2. In the event that, at the time of each shipment, either of the parties so requests, a document duly confirming receipt of the goods may be drawn up and signed by a representative of the Buyer. This document shall list the goods received, after having checked them against the invoices, the packing list and the weight and volume of the goods sent by the Seller. If it should be ascertained that some of the packages have been damaged, then said packages shall be opened and the condition of the goods contained therein shall be checked and a note shall be made of any missing goods or any goods which have deteriorated and the cause of said deterioration.

8.3. In the event that it is ascertained that there are damaged goods, then the Seller and the Buyer shall come to an agreement as regards the repair and/or replacement of said goods; it being understood that the costs of any such repair and/or replacement shall be borne by the party which bears the risk. The above procedure shall equally be adopted in the event of any damage to, deterioration or theft of the goods which may occur after storage. It is understood that in the event that the goods have been insured, in whole or in part, by an insurance company in the country in which the place of destination or the Yard is located, then the Buyer shall advise the claim agent of any such occurrence in a timely manner and ensure the requisite inspection of the goods by said claim agent. The Buyer shall also advise the Seller of any such occurrence in a timely manner so as to allow the Seller to exercise all of its rights relating thereto.

8.4. In the event of the replacement of any goods, the price of the individual parts shall be the price as per the Seller's list prices in force at the time of replacement. The Seller and the Buyer shall agree the schedule for the delivery of the replacement goods and/or parts.

8.5. If necessary, the Buyer and the Seller shall draw up a storage plan.

8.6. Upon the Seller's request, the Buyer shall ensure that the machinery, equipment and any possible spare parts delivered by the Seller, being complete and in a perfect condition for the installation thereof, shall be duly placed on the site designated for assembly.

Art. 9. Production and functional capacity of the supply

9.1. The Seller warranted that, once assembled and started up, the machinery (including any spare parts) and the equipment listed in the contract shall reach the parameters in respect of productivity and functioning indicated in the contract.

9.2. The achievement of the above parameters in respect of productivity and functioning is subject to the Buyer using only the articles/raw materials that have been

contractually agreed.

9.3. The method and means which will be adopted for the purposes of verifying the above-mentioned parameters are set forth in Articles 11 and 12 below and in the Enclosures hereto; it being understood that for the purposes of measuring said parameters, reference shall be made to the terms and standards set forth in the Enclosures hereto.

9.4. For the purposes of determining the quality of the products (and determining the waste), a joint committee composed of an equal number of representatives of the Seller and the Buyer shall be set up within no later than 3 (three) months following the date of the signature of this Contract by the parties hereto and in order to so determine the quality of the products said committee shall make reference to samples of products (and the quality thereof) which are procured from the Buyer's local market or, if the Seller and the Buyer so agree in writing, to samples (and the quality thereof) of the Buyer's current production.

It is understood that should the Buyer fail to appoint its representatives on the above committee by the time prescribed above, then said committee may validly function with only the member/s appointed by the Seller and the latter shall be deemed irrevocably authorised to sign any relevant certificate on behalf of the Buyer.

9.5. It is understood that any and all warranties in respect of the functioning and production capacity of the machinery and goods supplied under this Contract, other than those expressly provided by this Art. 9 and by the above-mentioned Enclosures are excluded, without prejudice to the terms of the warranty in respect of defects provided by Art. 14 below.

Art. 10. Assembly.

10.1. Assembly of the machinery (including any possible spare parts) and equipment indicated in the Enclosures shall be carried out by the Buyer and at its expense and under its supervision and management. The Seller shall provide the technical assistance in relation to the assembly and start-up of the machinery and the equipment by means of its skilled personnel selected by it and in accordance with the terms of the Enclosures. The Buyer shall co-operate accordingly so that entry visas and work permits for the Seller's personnel, in addition to any other authorisation which may be necessary, shall be obtained in a timely fashion.

10.2. The Buyer undertakes to:

a) supply the equipment, the lifting gear and means of transport, the power supply, water and everything else required by the Seller's technicians as technically necessary in order to carry out the assembly including any possible labour, the management and supervision of which shall at all times remain the responsibility of the Buyer. Any machines and tools which the Buyer may allow the Seller's technicians to use shall be equipped with the accident prevention devices provided under the regulations in force in European Community;

b) arrange for the assembly operations to start immediately after the arrival of the Seller's technicians and proceed on a continuous basis until completion; it being in any event understood that any periods of

inactivity/waiting periods shall be for the Buyer's account;

c) sign the attendance sheet that the Seller's technicians are provided with in order to ascertain the hours worked by the personnel; it being understood that, otherwise, the hours indicated by the Seller in the relevant invoice shall be considered as valid and correct;

d) be responsible for and reimburse the Seller in respect of any travel expenses (return ticket) incurred by the Seller's technicians in travelling from the Seller's place of business to the Buyer's Yard, including any travel expenses relating to any replacements for the Seller's technicians. In this regard, it is understood that the maximum period which any of the Seller's technicians may spend at the Buyer's Yard is a period of 3 months;

e) directly pay all the expenses relating to the stay of the Seller's personnel (travel, board and lodging etc.); accommodate the Seller's technicians in a hotel of a standard not less than a second class European hotel or otherwise in another type of accommodation of the same standard; ensure that the Seller's technicians have a means of transport to and from their hotel/lodgings and the work site;

f) not engage the Seller's technicians in any activities other than those which fall within their sphere of competence and in respect of which they are specifically authorised by the Seller;

g) adopt all safety measures and precautions necessary to prevent accidents and safeguard the assembly workers against physical injury, in compliance with all regulations imposed by law; in particular, provide the assembly workers with all protective measures necessary to safeguard the workers against physical injury and for safety and health in general, inform the Seller's workers and technicians in respect of the specific risks to which they are exposed and bring the basic safety and health regulations to their attention by means of affixing appropriate notices in the work areas or indeed by other means, in addition to demanding that the workers observe the regulations regarding safety and duly use the protective clothing and measures with which they are provided;

h) provide the Seller's personnel, at its expense, with an interpreter and translating services, should they so request.

10.3. In the event that, for reasons not attributable to the Seller, assembly takes longer than the time scheduled by the Seller, then the period originally scheduled shall be extended accordingly; in such case, the fees relating to the services provided hereunder shall be those in force at the time said services are effectively carried out.

Art. 11. Start-up. Acceptance Test.

11.1. Upon completion of assembly, the Seller and the Buyer shall insert an appropriate note and sign the site book so as to duly confirm the completion of assembly. Further, the Seller shall set a date for the start of the start-up by giving the Buyer 15 days' notice thereof; the Seller shall also advise the Buyer of the name/s of the

member/s appointed by the Seller who will make up the acceptance test Committee and shall request the Buyer to appoint its respective member/s (who shall be in the same number as the number of members appointed by the Seller) within 15 days. Should the Buyer fail to agree a date with the Seller and/or appoint such member, then the acceptance test Committee shall nevertheless be deemed validly constituted by the members appointed by the Seller alone and the start-up shall start as of the date chosen by the latter.

11.2. During the subsequent phase of start-up, only the machines in respect of which an acceptance test is expressly provided in the Enclosures hereto shall be gradually started up and individually subjected to working tests by using the necessary raw materials so as to gradually reach the maximum permitted production capacity. It is understood that the above-mentioned tests shall be carried out separately in respect of the above machines, with each machine being considered individually.

11.3. After the start-up period, the Buyer shall constantly and continuously ensure that all the necessary articles/raw materials, in the quantity and quality provided and requested by the Seller, are put at the latter's disposal. The Buyer shall also put at the Seller's disposal an electric power supply, fuel, compressed air and all the other necessary forms of power, together with personnel, in the numbers and having the skills requested by the Seller. Further, the Buyer shall ensure that during every phase of the procedure under this Art. 11, its personnel shall strictly comply with the technical instructions given by the Seller's technical personnel.

11.4. At such time as the Seller deems that the machinery as per Art. 11.3 above has achieved sufficient production capacity, it shall notify the Buyer that it is ready to start the acceptance tests and it shall accordingly advise the Buyer of the date for the start of such tests. The procedures in respect of the acceptance tests are set forth in the Enclosures hereto.

11.5. During the periods of assembly, start-up and acceptance test, the Seller shall, at its expense, carry out any modification, replacement, repair or addition to the machinery and the equipment which may be necessary, for a reason attributable to the Seller, in order to achieve the parameters in respect of productivity and functioning provided for under this Contract, or in any case which may be necessary to make the supply of the goods hereunder comply perfectly with the contractual obligations.

Art. 12. Acceptance of the Plant.

12.1. The issuance of the preliminary acceptance test certificate, shall amount to acceptance by the Buyer of the machine/machines to which the certificate in question relates.

12.2. By signing the final acceptance test certificate, the Buyer thereby indubitably acknowledges that the machinery, spare parts and equipment supplied by the Seller, when assembled and started up, and using suitable articles/raw materials, indeed enable the Buyer to achieve production in accordance with the parameters provided by this Contract. Without prejudice

to the obligations of the Seller provided by Art. 14 below, any possible future negative variations in the production capacity of the machines shall not in any event be covered by the warranty granted by the Seller pursuant to Art. 9 above.

12.3 It is agreed that the possible application of liquidated damages as per Art. 15 below and Enclosures shall be suspended until the completion of the final acceptance test and the measuring of the parameters in respect of productivity and functioning as per Art. 9 above and Enclosures.

Art. 13. After-sales service.

13.1. For a period of 5 years from the date of the certificate referred to in Art. 12.1 above, the Seller undertakes to supply the Buyer, according to availability at the time of the request, with spare parts and technical services as requested by the Buyer. The prices for such spare parts and services shall be based on the list prices and service fees in force at the time each such request is made and all the other terms of supply shall be agreed in good faith between the Seller and the Buyer.

13.2 After 5 years, the Seller will continue to provide technical services at current market prices after receipt of order by the Buyer and supply spare parts as far as possible. These parts are technically equivalent, but not necessarily identical to the originally used. A prerequisite is that no rebuilding was carried out on the machine by a third party.

Art. 14. Warranty period.

14.1. With regard to any possible defectiveness in the supply hereunder, only a warranty in respect of mechanical and electrical defects in the machinery and equipment shall apply and shall run for a period of 12 months as of the date of the acceptance as per Art. 12.2 above.

14.2. The warranty consists in either the repair or replacement, at the Seller's sole discretion and at its expense, of the structural parts and other components of the machinery and the equipment which may prove to be broken or defective due to manufacturing defects. The parts which are to be replaced as per above shall be delivered DAP the Buyer's factory (Incoterms 2010). In this regard, the following is agreed: (a) with regard to the carrying out of repairs or assembly which, on the basis of the Seller's reasonable opinion, are of moderate difficulty from a technical point of view, then the Buyer shall carry them out using its own personnel and at its expense and without involving the Seller and (b) with regard on the other hand to the carrying out of repairs or assembly which are of notable difficulty from a technical point of view, the Seller shall send a specialised technician to the Buyer's premises who shall be entrusted with the task of supervising the assembly which shall be carried out by the Buyer's personnel and at the Buyer's expense. The travel and lodging expenses of the Seller's technicians shall also be borne by the Buyer.

14.3. The Seller shall replace or repair the defective parts in the shortest time possible, which shall be calculated on a case by case basis, and the Seller shall have the right to request the Buyer to return the

defective parts which have been replaced.

14.4. The warranty shall cover all the individual structural parts and other components of the machinery and the equipment, but it shall not cover the parts which are subject to normal wear and tear (as kiln furniture, burner nozzles, flame tubes, thermocouples, heating elements etc.). Further, the Seller shall not be liable for any damages of whatever nature caused by improper use on the part of the Buyer's personnel, by the use of unsuitable articles/raw materials, by faulty or negligent treatment, by excessive use of said goods, by damage or deterioration to the goods caused (or exacerbated) by the failure to interrupt the use of the goods in the case of technical problems, or in any event due to any other reason not attributable to the Seller.

14.5. The warranty shall in any event lose any and all effect should any equipment or spare parts not supplied by the Seller be installed in the departments and/or the individual machines, and in any case, should any modifications have been made without the Seller's consent provided in accordance with the terms of Art. 20 below. With regard to the machinery which is delivered by the Seller in a disassembled form, then the warranty shall lose any and all effect should the assembly or commissioning thereof not have been carried out according to the technical instructions of the Seller's personnel.

14.6. Any other damages, including any possible damages resulting from the lack of or a reduction in production (in respect of which only the terms set forth in Art. 9 above and Art. 15 below apply), in addition to any indirect or consequential damages, and the right to terminate the Contract, are expressly excluded from the warranty.

14.7 Under no circumstances shall the Seller be liable for any damages of whatever nature arising out of the improper use, poor maintenance and/or generally any acts which are not in line with the maintenance and user instructions. The Buyer shall be solely responsible for ensuring that the products manufactured using the machinery supplied by the Seller are in compliance with the safety regulations in force and the Buyer shall in any event be liable for any claims made by any party which may have possibly suffered damages and it shall duly hold the Seller harmless from and against any such claims.

14.8 The warranty shall be subject to the Buyer duly informing the Seller, in accordance with the terms of Art. 20 below, within 8 days following the discovery thereof of the particular defect or lack of quality (failing which the Buyer shall lose its rights under the warranty in respect thereof) and shall also be subject to the Buyer making an express request to the Seller, in accordance with the terms of Art. 20 below, to provide assistance under the warranty. The period of the warranty may not in any event extend beyond a period of 18 months following the date of shipment.

Art. 15. Liquidated damages which the Seller may be liable to pay.

15.1. In the event of any possible failure to perform on the part of the Seller and subject in any event to the terms of Articles 6.2, 10.3, 12 and 16.5 and the Enclosures hereto,

the Seller shall pay the Buyer liquidated damages as indicated in the Enclosures or this Contract; it being understood that said liquidated damages shall be calculated on the basis of the price of the machinery and equipment in respect of which delay in start-up occurs or the parameters indicated in the Contract are not reached, subject to the terms of Art. 15.2 of this Contract

15.2. The liquidated damages provided by the Enclosures shall only be due if it has been proved that the non-performance of the contractual obligations is attributable to the Seller and that such non-performance has actually caused damage to the Buyer.

15.3. It is understood that, in the event of non-performance or breach on the part of the Seller of its obligations under the Contract, then in this contract mentioned cumulated liquidated damages shall completely discharge the Seller from any liability (and any other remedy or liability to compensate in respect of any other damages is hereby expressly excluded) and, in any event, any possible liability on the part of the Seller for damages in respect of the lack of or a reduction in production, in addition to any indirect or consequential damages, is hereby excluded.

Art. 16. The parties' obligations in respect of the installation, start up and acceptance tests in respect of the machinery. Consequences in the event of non-performance thereof.

16.1. The Buyer shall provide the Seller with the necessary personnel, who must be sufficiently qualified, for the purposes of carrying out assembly, start-up and the acceptance test, in addition to providing the equipment, the lifting gear and means of transport, the power supply, water and anything else which may be requested by the Seller's technicians for the purposes of performance under this Contract. More generally, the Buyer shall be obliged to perform all of its obligations pursuant to Articles 10 and 11 above.

16.2. The Buyer shall, at its expense, clear the goods for customs and transport the goods from the place of delivery to the Place of destination and/or to the Yard in a timely manner. Further, more generally, the Buyer shall also be obliged to perform all of its obligations pursuant to Art. 8 above.

16.3. The Buyer shall provide the Seller's technicians with a room which is suitable for storing the technical and administrative documents.

16.4. The Buyer shall undertake all of the Civil works, all the general service systems and shall supply all the items within the time provided and without in any way prejudicing or interrupting the regular carrying out of the assembly of the machinery.

16.5. In the event that the Buyer fails to perform or is late in performing any of its obligations under this Contract, then the Seller shall be entitled to rely upon such non-performance so as to alleviate and discharge itself from any possible liability in respect of delay in the assembly, start-up and the acceptance test of the machinery or in relation to the failure to achieve the contractual parameters in respect of productivity and functioning provided in the Enclosures hereto. In the case of serious or lengthy non-performance on the part of the Buyer, then the Seller shall be entitled to suspend performance of its

services hereunder.

16.6. In any event, the Buyer shall be liable vis-à-vis the Seller in respect of any damage suffered by the Seller as a result of the Buyer's failure to perform, delay in performing or partial performance of its obligations hereunder.

16.7. If the parties hereto fail to reach an agreement as to the liability on the part of the Buyer as a result of its failure to comply with the terms of this Contract, then the party which is so interested, shall submit the dispute to arbitration pursuant to Art. 25 below.

16.8. The Seller shall use all reasonable efforts to cooperate with the Buyer for the purposes of carrying out assembly, the start-up and the acceptance test.

Art. 17. Confidentiality obligations - Third party rights

17.1. The Parties shall keep strictly confidential and will not disclose any technical information (such as, but not limited to, drawings, schedules, documentation, formulae and correspondence) received from each Contracting Party or in any way learnt during the course of this Contract. Any such information may only be disclosed to third parties with the Parties prior authorisation provided in accordance with the terms of Art. 20 below.

17.2. It is understood that the Seller shall at all times remain the owner of the engineering and the know-how and the use thereof, in addition to the use of the material supports delivered by the Seller relating to said items, is granted to the Buyer only for the purposes of this Contract. In the event of termination of this Contract, the Buyer shall return all the material supports in its possession relating to the engineering and the know-how to the Seller without delay.

17.3 The Buyer shall indemnify the Seller and hold the Seller harmless from and against any and all claims or actions against the Seller by third parties and any damages or expenses relating thereto, concerning any infringement of patents or other intellectual property rights arising out of or relating to the manufacture, use and/or marketing of the goods as per this Contract, the tooling and/or the moulds for the production of said goods.

Art. 18. Visits to the Buyer's Plant by the Seller's customers.

18.1. The Buyer shall allow the Seller, together with German or foreign delegations, free access to the premises in which the machinery supplied hereunder is installed so as to allow such delegations to view the machinery, equipment and spare parts indicated the Enclosures hereto. The dates of such visits shall be agreed upon by the Buyer and the Seller on a case by case basis.

Art. 19. Force majeure.

19.1. Force majeure shall mean any act or event which is unforeseeable, beyond the parties' will or control and in respect of which a remedy may not be found in a timely manner (including but not limited to acts of war, even if undeclared, epidemics, pandemic diseases, embargo, sanctions, riot, insurrection, fire, sabotage, natural disaster, acts or provisions of government authorities,

inability to procure raw materials or other goods required for the execution of the contract, equipment, fuel, energy, components, labour or transport).

19.2. Upon the occurrence of any event of force majeure which is such as to prevent either party hereto from fulfilling its obligations hereunder, then the time for the party so affected to fulfil its obligations shall be automatically extended for a period corresponding to the duration of the event of force majeure, without any damages (including liquidated damages) being payable by said party, save for the Buyer's obligation to pay the amounts due by way of the overall price (or of the individual prices provided in the Preamble), in respect of which the contractually agreed due dates shall remain in full force and effect. It is further understood that in the event that the above payment is to be effected, in whole or in part, by means of a documentary credit, then upon the occurrence of an event of force majeure and upon the Seller's request, the Buyer shall be obliged to extend the term of said documentary credit, failing which, by way of exception to all the above terms, the Seller shall be entitled to effect delivery of the goods, *inter alia*, to the general warehouses and cash in said documentary credit.

19.3. In any event, the parties shall take all measures within their power to ensure the reinstatement, within the shortest possible time, of the performance of the obligations which have been delayed as a result of the event of force majeure. The parties hereto are also obliged to give each other notice, within no more than 15 days, of the beginning of and of the end of any event of force majeure. If this obligation is not met, then the party in default shall lose its right to rely upon the event of force majeure.

19.4. Should the parties hereto be unable to carry out their obligations in accordance with the time schedule provided hereunder for a period of 6 months or more as a result of an event of force majeure, then the parties shall meet as soon as possible in order to examine the impact of such events on the terms of the Contract, in particular, on the prices and on the delivery schedule, and they shall come to an agreement as regards the terms and conditions for the continuance of their respective obligations. In the event of a possible disagreement between the parties or equally in the event that either party refuses to take part in such meeting, then the matter may be submitted solely to conciliation and/or arbitration pursuant to Art. 25 below.

Art. 20. Notices.

20.1. All notices provided under this Contract, as well as all notices given by the parties hereto during the performance of this Contract, shall, without exception, be in writing (this term being deemed to include e-mail and facsimiles). However, it is understood that the Seller must comply with the formalities provided by Art. 5.6 above in order to waive its retention of title.

20.2. Such notices shall take effect at such time as they are delivered to the address (including any possible e-mail address) of the other party, as indicated on the front page of this Contract. In the event of any change in address, the parties hereto shall immediately notify the other party thereof.

Art. 21. Taxes and duties.

21.1. All taxes, withholding tax, duties, levies and charges in the country of the Buyer (including any administrative charges) of the same nature, be they present or future, (including, by way of example, any tax which may be due in the Buyer's country in relation to the registration of this Contract) shall be borne by the Buyer. Further, if needs be, the Buyer shall pay the Seller any such sum and shall not be entitled to the return thereof. All taxes, levies and charges in the country of the Seller shall be borne by the Seller.

21.2. The Buyer shall be responsible for obtaining any authorisations which, in accordance with the monetary laws and regulations of the Buyer's country, are necessary for the purposes of the regular fulfilment of the obligations provided under this Contract in relation to the payment terms. It is understood that the effectiveness of this Contract shall not remain pending as a result of non-compliance by the Buyer with the above-mentioned obligation.

Art. 22. No assignment of this Contract. Assignment of credits.

22.1. Neither party hereto may assign this Contract without the prior written consent of the other party hereto.

22.2. However, the Seller shall be entitled to assign, in whole or in part, to third parties its credit relating to the payment of the sums due from the Buyer hereunder. The Seller shall not be obliged to obtain the Buyer's consent to any such assignment of credit and it is understood that, with regard to providing notice of any such assignment, to the extent necessary so as to ensure a valid and effective assignment of the credit, a simple written notice thereof to the Buyer shall suffice. It is understood that in the event of assignment of the above credit, then the Seller shall also be entitled to assign, in whole or in part, to the assignee of the credit the rights provided under Art. 5 above. Should the above rights fail to be assigned to the assignee of the credit, then said rights may continue to be exercised by the Seller, directly or through a representative, in the event of non-performance or breach on the part of the Buyer of its payment obligations under this Contract.

Art. 23. Excessive onerousness.

23.1. Without prejudice to the terms of Article 19 above, if, due to events which were unforeseen (and which were reasonably unforeseeable) by the parties at the time this Contract was entered into, the balance between the parties' respective obligations hereunder alters considerably, thus rendering excessively onerous the obligations of either of the parties hereto, then the party so affected may request that the parties' respective obligations be realigned. It is however understood, that the loss or increase in value of one national currency compared to one or more other currencies, or equally the replacement of one national currency by another currency (for example, following the introduction of the Euro) shall have no effect for the purposes of this article. In the event of a possible disagreement between the parties in relation to this issue, then the matter may be submitted solely to conciliation and/or arbitration pursuant to Art. 25 below.

Art. 24. Conclusion of the Contract and effectiveness

of the Contract.

24.1. This Contract shall be binding upon the parties as of the date of signature of the Contract by both parties hereto.

24.2. Should any authorisation on the part of the authorities of the Buyer's country be required, then the effectiveness of this Contract shall remain pending until such time as the requisite authorisations have been obtained (as duly communicated to the other party pursuant to Art. 20 above). If within 3 months following the date of the conclusion of this Contract, the requisite authorisations have not been obtained, then the Seller shall be entitled to terminate this Contract, without incurring any liability, by giving notice to the Buyer pursuant to Art. 20 above.

Art. 25. Arbitration clause and Governing law.

25.1. Any and all disputes between the parties which may arise out of this Contract shall be settled in an amicable manner by means of negotiations between the parties held in good faith. In the event that it is not possible to reach an amicable settlement within a reasonable period of time, then any such dispute shall be settled exclusively and finally in accordance with the Rules of Arbitration of the International Chamber of Commerce by a board of three arbitrators appointed in accordance with said rules. Nevertheless, prior to any arbitration proceedings being commenced, the parties may agree to submit the dispute to settlement proceedings under the ICC (International Chamber of Commerce) ADR (Alternative-Dispute-Resolution) practice and, if the dispute has not been settled pursuant to said Rules within 45 days following the filing of a Request for ADR or within such other period as the parties may agree in writing, such dispute shall be finally settled under the above Rules of Arbitration.

25.2. The arbitration proceedings shall be held in Nürnberg.

25.3. The arbitration proceedings shall be held in the language provided by Art. 26 below, which shall be the governing language for the purposes of interpreting this Contract.

25.4. By way of partial exception to the foregoing, the Seller shall be entitled to initiate legal proceedings before the courts of the location of the Seller's registered offices or before the courts of the location of the Buyer's registered offices or any other courts which have jurisdiction vis-à-vis the Buyer, both for urgent and/or precautionary injunction or relief (including, by way of example and not by way of limitation, proceedings for the enforcement of warranties relating to this Contract, including proceedings for the return to the Seller of goods sold with retention of title), and for trial/ordinary judgment, upon the condition however that, in the latter case, the Buyer has not previously initiated arbitration proceedings. The possible invalidity of this article 25.4 shall in no way affect the validity of articles 25.1 to 25.3 above.

25.5. This Contract shall be governed by German law with the result that, save to the extent varied by the terms hereof, the provisions of the United Nations convention on contracts for the international sale of goods signed in Vienna on 11th April 1980 shall apply).

Art. 26. Interpretation of the Contract.

26.1. The English text hereof shall be the only authentic text of this Contract, even if this Contract is drawn up in an additional language.

26.2. This Contract supersedes any and all prior agreements between the parties, be they oral or in writing, with regard to the subject matter hereof and the terms hereof may only be amended in writing.

Art. 27. Informative note in respect of the treatment of personal data.

27.1 For the purposes of regulations with regard to the handling and/or use of personal data, the Seller hereby informs the Buyer that the personal data (personal details, fiscal and financial details) relating to the legal entities which enter into a relationship with the Seller, in addition to the personal details of the individuals which act on their behalf, are collected, recorded, re-ordered, memorised and processed for administrative/accounting purposes. In particular, such purposes relate to the following activities: the management of orders and invoices; the conclusion of possible agreements (including agreements for the purposes of insuring the Seller's credit vis-à-vis the Buyer and agreements relating to the assignment of said credit); the management of suppliers; the carrying out of contractual obligations and other obligations provided by law. The above-mentioned data may be communicated to third parties in relation to the purposes for which they have been acquired and collected.

27.2 The above terms of this Article shall be deemed as a valid informative note for the purposes of and pursuant to the above-mentioned regulations and the Buyer hereby declares that it agrees to the handling and/or use of the above data by the Seller for all purposes provided by law.

Art. 28. Invalid Clauses

The inoperativeness of one or several conditions of said General Conditions does not affect the validity of the remaining conditions. In such case a condition is applicable which meets best the legal and economic aim of the inoperative condition. This does not apply in case complying with the terms of the Contract would constitute unreasonable hardship for one or both of the Parties.

Art. 29. Software Usage

If the scope of delivery includes software, the Buyer shall be granted a non-exclusive right to use the software delivered, including its documentation. The software shall only be used on the delivery item for which it is intended.

The use of the software on more than one system shall be prohibited.

The Buyer shall be entitled to copy, revise or translate the software only to the extent permitted by law. The Buyer undertakes not to remove or alter any manufacturer information – in particular copyright notes - without the Seller's prior express written approval.

All other rights relating to the software and the documentations including the copies shall remain with the Seller and/or software supplier. The granting of sublicenses shall be prohibited.