

GENERAL TERMS AND CONDITIONS OF SALE

(valid and effective unless the matter is regulated by a specific agreement):

Scope

The present General Terms and Conditions of Sale, unless differently written agreed, regulate the actual and future sale contracts between G.I. INDUSTRIAL HOLDING S.p.A. (Manufacturer) and the Purchaser (which is defined at order) of the products specified on each single order. Any general condition of the Purchaser shall not be applied.

Delivery

The purchased products will be ordinary delivered directly to Purchaser or to its carrier, shipping agent or representative at the Manufacturer premises, unless differently agreed upon. The delivery may be suspended until the Purchaser has duly paid all its debts which are payable and overdue on the delivery date. Partial deliveries are always allowed.

The delivery is considered as fully performed at the G.I. INDUSTRIAL HOLDING S.p.A. premises, although the shipment is arranged by G.I. INDUSTRIAL HOLDING S.p.A. on Purchaser's request.

Preparation terms

The preparations terms are to be considered as estimates and are adjustable by the Manufacturer, up to a maximum threshold of thirty working days, subject to prompt communication.

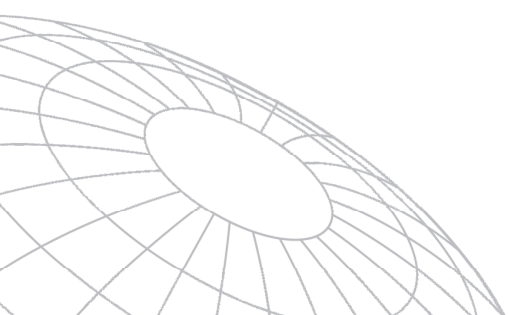
Penalty

The orders will be considered as binding for the Purchaser while they are mandatory for G.I. INDUSTRIAL HOLDING S.p.A. only if the Order Confirmation is signed by the Purchaser for acceptance.

For any change or addition also the revised Order Confirmation has to be signed for acceptance by the Purchaser.

The confirmed orders can be cancelled only after written approval from G.I. INDUSTRIAL HOLDING S.p.A.

The withdrawal of a confirmed order requires the payment of a penalty equal to 30% of the purchase price. No withdrawal of a confirmed order will be ever accepted if the order is under logistic and/or manufacturing process.



Late payments

The Laws in force in the matter of late payments in commercial transactions (D. Lgs. 231/02) will be applied.

If the Purchaser is not compliant with the obligations arising out from these General Terms and Conditions of Sale or with whatsoever applicable Law or provision, then the Manufacturer will be entitled to suspend or postpone the performance of its own obligations under this agreement, including the warranty and service support.

Payments shall be duly addressed to the Manufacturer registered office, according to terms and conditions set forth in the invoice. Payment addressed to Agents or Intermediaries is not releasing.

Technical norms

Given that G.I. INDUSTRIAL HOLDING S.p.A. complies with the technical norms and the Italian legislation relevant for the features of the products, the Purchaser accepts the risks of any non-compliance between the Italian norms and those valid in the Country of delivery.

Force majeure

Should G.I. INDUSTRIAL HOLDING S.p.A. not be able to fulfill the delivery (full or partial) of the goods due to force majeure, G.I. INDUSTRIAL HOLDING S.p.A. shall promptly inform the Purchaser; the delivery will therefore be considered as suspended within the limits of the impediment caused by the force majeure and for the entire period of its duration. If the impediment persists more than 45 days, G.I. INDUSTRIAL HOLDING S.p.A. keeps the right to break down the contract, giving back to the Purchaser the advanced payments, if any; in that case, the Purchaser has no right for any damage compensation.

Force majeure are considered all the events which are not reasonably controllable by G.I. INDUSTRIAL HOLDING S.p.A. including, but not limited to, strike, industrial action, transport inhibition, war, fire, governmental or administration deed.

Warranty

G.I. INDUSTRIAL HOLDING S.p.A. is subject to the legal warranty provided for by the Italian Civil Code for vices and defects in the sale agreement with non consumer Purchaser (12 months). If the Purchaser is a consumer, Manufacturer is subject to the legal warranty provided for by the Italian Consumer Code for non conformity (24 months).

The duration of the warranty takes its beginning from the delivery date, duly evidenced by a document having fiscal validity (invoice, receipt, CMR and bill of lading).

The warranty covers only the supply of the spare parts for the replacement of the components affected by vices, defects or non conformity.

The spare parts will be considered under warranty conditions if only the vice, defect or non conformity is due to Manufacturer responsibility and if recognised as defective in accordance with the non-negotiable judgement of G.I. INDUSTRIAL HOLDING S.p.A.

If the replacement is carried out by the Manufacturer, labor, travelling and accommodation costs of the people involved will be separately invoiced.

Any form of indemnity or compensation for direct or indirect damages is excluded.

Defective material which is replaced under the terms of warranty remains the property of G.I. INDUSTRIAL HOLDING S.p.A. which can claim for the return of the part in any moment in the following 6 (six) months after the replacement.

After that period the Purchaser will be responsible for it and takes charges eventually for reparation, sale or demolition.

- **Claims**

The Purchaser assumes the responsibility to check the merchandise at the moment of consignment. Any claim, including those concerning shipping, must be forwarded in writing and arrive to G.I. INDUSTRIAL HOLDING S.p.A. within 8 (eight) days from the receipt of the material as shown on shipping documents. Hidden defects in the material must be reported in writing within 8 (eight) days from their discovery.

- **Installation**

Installation must be properly carried out in compliance with applicable Laws and standards and refer to the manual for installation, use and maintenance provided with the units. The warranty does not cover instances where proper working practices and the provisions of the manual on installation, use and maintenance have not been complied with.

- **Testing**

All units are tested or subjected to quality checks aimed at ensuring compliance with the order in the plants of Manufacturer prior to shipping, with the exception of evaporating and condensing units. These units, due to their technical features, are subjected to all of the tests carried out on the other units, except for the functional testing of the compressors. All tests carried out in the plants of Manufacturer shall be considered as accepted. Any work made necessary by:

- incorrect installation;
- incorrect use of the machines;
- use in excess of established limits;
- problems serving from user systems;
- problems with the supply of electrical energy;
- disservices caused by components in the user system;
- tampering
- refrigerant charge (not foreseen in factory) for the units with 2 split sections

are to be considered as not being covered by the warranty.

- **Exclusions and limitations of the warranty**

G.I. INDUSTRIAL HOLDING S.p.A. reserves the right to suspend or permanently cancel the period of warranty should the Purchaser fail to fulfil its contractual obligations. The following are not covered by any form of warranty:

- mechanical parts subject to normal wear (drive belts, gaskets, etc.);
- expendable materials (oil, refrigeration, etc.);
- failures caused by external electrical short circuits or lightning;

- freezing of the evaporators or coils due to lack of water circulation in the system or failure to drain them when not in use;
- improperly installed units, not in compliance with the layout rules;
- incorrect use of the unit;
- tampering with safety devices and parts;
- poor maintenance or total lack thereof;
- corrosion effects;
- split system malfunction due to combinations between indoor and outdoor units different from what shown in the dedicated documentation.

Operating procedure for the spare parts:

The following is the procedure to be used if spare parts are required:

- The Purchaser shall ask the Technical Service Department of the Supplier for the spare part it needs. The Purchaser shall provide, for all units equipped with a compressor and for air handling units, the serial number of the applicable unit, whereas for terminal units the purchase invoice shall be provided.
- The Technical Service Department shall check whether the units in question are covered by warranty and then shall proceed in one of the following ways:

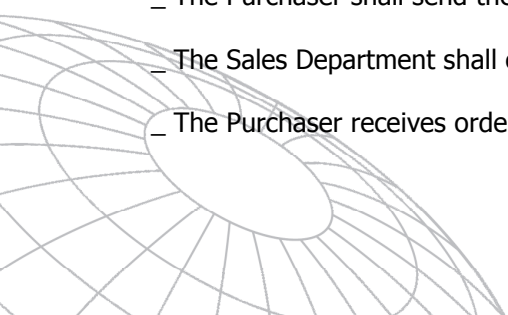
FOR UNITS STILL COVERED BY WARRANTY

- _ The Technical Service Department shall open an order for the specified part
- _ The Purchaser receives the order confirmation for the sale price
- _ The piece is delivered at the expense of the Purchaser
- _ The order is invoiced with payments previously agreed with G.I. INDUSTRIAL HOLDING S.P.A.
- _ The Purchaser returns the piece at its expense, only if requested by the Technical Service Department
- _ After the Technical Service Department has received the piece and/or analyzed it and acknowledged that it is in fact defective, it issues a credit note that fully covers the previous invoice

_ Exceptions: in the event of supply of material of very low value, or for which the return of the defective component is not requested, delivery takes place at the expense of the supplier with the shipping document stating "*account for replacement under warranty*"; in this case the Purchaser will not receive order confirmation but rather a separate notification (email or fax) specifying the price of the spare part provided.

FOR UNITS NO LONGER COVERED BY WARRANTY

- _ The Technical Service Department shall draw up an offer for the requested part
- _ The Purchaser shall send the order to the Manufacturer
- _ The Sales Department shall open an order for the specified piece
- _ The Purchaser receives order confirmation with the sale price



_ The order is invoiced with payments previously agreed with G.I. INDUSTRIAL HOLDING S.P.A.

Documentation:

On board of each unit there must be the installation, use and maintenance manual. This document must not be removed or tampered with for any reason whatsoever.

Technical drawings, technical data and catalogues are subject to change with no requirement for advance notice.

Competent jurisdiction:

All controversies arising out of this order will be submitted exclusively to Udine Court (Italy) which will decide according to the Italian Law (with the exclusion of the Law of conflicts). The Manufacturer is discretionally entitled to bring or to carry its legal action in front of the Purchaser competent Court and to request the Purchaser Law to be applied.

