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1. DEFINITIONS

1.1 The term "Conditions" means the agreements, terms and conditions of contract as a whole contained in these Sales Conditions.

1.2 The term "Seller" means ELCOS S.r.l. based in Grumello Cremonese (CR), 26023 S.S. 234, KM 58.250 (via Milano).

1.3 The term "Customer" means any private individual, sole proprietorship, company, or, in general, any legal entity with whom the Seller enters into agreements relating to the trading of Products and / or services anyhow provided by the Seller.

1.4 The term "Contract" means any sales contract concluded between the Seller and the Customer, on a supply or a single Product.

1.5 The term "Supply" means all goods and / or services transferred by the Seller to the Customer to fulfil a contract.

1.6 The term "Product" means any single item or service offered for sale by the Seller.

2. SUBJECT - SCOPE

2.1 These Sales Conditions govern the contracts for the sale or the supply of ELCOS S.r.l. goods or services (hereinafter referred to as Products). These conditions are generally applicable to all contracts for the supply and sale drawn up by the Seller.

2.2 Notwithstanding the general validity of these Terms, it is determined that any specific written agreements between the Seller and the Customer shall prevail in case of conflict, over the first.

2.3 All sales are understood to be subject to the following conditions, even if not specifically agreed.

3. TECHNICAL CHARACTERISTICS OF PRODUCTS

3.1 The technical characteristics of ELCOS S.r.l. Products, considered valid for the contract conditions, are those given in the last updated and valid catalogue for standard models currently in Production, as well as those outside the catalogue related to the range extensions. The Customer declares the acknowledgement of these Conditions of Sale by signing the present document. For Products made from order, the specifications are those agreed with the Customer and, anyway, indicated on the offers of the Seller to the Customer. ELCOS S.r.l. reserves the right to make unannounced changes or variants to its standard Production that are deemed necessary in order to adapt it to the Production needs or business strategy.

4. ORDER PROCEDURE

4.1 Orders must be submitted by the Customer in writing (including by fax or e-mail) to ELCOS S.r.l.

4.2 Verbal orders will not be accepted.

4.3 No orders are binding on Seller until it has been accepted in writing through the "Order Confirmation". In case of discrepancies between the order sent by the Customer to the Seller and the Order Confirmation sent in turn by the latter, the relative supply of Products will be regulated exclusively by the conditions laid down in the Order Confirmation.

4.4 Orders placed through agents, representatives, appointees or via the Internet should be considered executive only after acceptance from ELCOS S.r.l., expressed through a formal Order Confirmation.

4.5 The agreements deviating from the Sales Terms and Conditions, shall be binding on the Seller unless in writing and signed by the legal representative of ELCOS S.r.l.

4.6 The Order formally confirmed will be considered as a commitment by the Customer, who could not reduce or cancel it, except as provided for in sub clause 5.13.

4.7 The Sales Conditions prevail over any clause, term or condition contained in the order or in any other pre-contract communication sent by the Customer, even if not expressly excluded or contested.

4.8 All accepted orders are subject to the rule of "price variability", even if not specifically stated on the Order Confirmation.

5. DELIVERY

5.1 The Products will be supplied by the Seller to the Customer on an "Ex Works" basis at Seller's factory located in Grumello Cremonese or other place designated by the Seller, within the time limit specified in the Order Confirmation.

5.2 With the delivery of the goods respectively to the Customer or to the first carrier, the risks associated with the Products are transferred to the Customer, even in the case of Ex Works delivery term charged on the invoice: therefore,

no claim of any kind will be enforceable against the Seller for damages, loss of the goods, thefts and / or other harmful events that occurred during transport. Therefore, the Customer shall not be relieved of its obligation to pay the price of the Products even if any loss or damage to the Products occurs as specified above.

5.3 The delivery period begins with the completion of the order and it ends with the delivery of the goods for shipment.

5.4 The delivery terms are always approximate and it is, therefore, excluded the right of the Customer to request sums by way of compensation for loss resulting from delay in delivery of the Products. The delivery may be extended if the Customer fails to provide all requested data in time and promptly communicate its approval of drawings and executive diagrams; requires variations during the execution of the order, fails to deliver the required materials in time or does not fulfill regular payments.

5.5 ELCOS S.R.L. in its discretion may subordinate the execution of the contract to the receipt of due payments from the Customer.

5.6 The obligation of delivery of the Goods by the Seller may be suspended in all cases if the Customer fails to fulfill its obligation of payment of the Products.

5.7 If the Client, after being informed about the availability of supply or of the ordered Product, does not provide its immediate pick-up or does not accept to take delivery of the Product, all costs and expenses resulting from such failure shall be charged against the Customer, without prejudice to compensation for greater damages suffered by ELCOS S.R.L. In any case, a sum will be due to ELCOS S.R.L. by way of penalty calculated at € 0.46 per quintal for each day or part of the day spent by Products at ELCOS S.R.L. warehouses. It is understood between the parties that in case of delay in the collection of the goods ready for delivery, ELCOS S.R.L. will issue the invoice within the month scheduled for delivery without modification of the terms of payment. The storage of goods at ELCOS S.R.L. warehouses is at Customer's risk.

5.8 The failure to collect and / or refusal to delivery exempt ELCOS S.R.L. from any liability for any damage that may occur to the Products while in custody of the same.

5.9 The delivery can be performed with split deliveries, in which case each delivery must be considered as part of a separate contract and any defect or lack of delivery can be taken as an excuse to refuse further deliveries.

5.10 The limitation and / or suspension of Production due to force majeure or otherwise beyond the control of the Seller, will stop for all their continued counting the promised delivery time, without legitimate the right to reduce or cancel the order and / or any and all claims for damages by the Customer.

5.11 ELCOS S.R.L. is free to cancel or suspend received orders from Customers for reasons of force majeure or at least outside the control of the Seller itself, without running into any liability.

5.12 Into the above mentioned reasons are also included (by way of example and not limited to) the following: accidents due to natural disasters, suspension of electricity supply to the workshop; exceptional faults to the Production machinery; supply difficulties, difficulty in transport, strikes, epidemics, theft, etc.

5.13 The delay, which is not justified by reasons referred to in clause 5.12, will entitle the Customer to cancel the order, within three (3) months after the expiry of the promised delivery date, but without legitimate any refund.

5.14 Any shortages in delivery must be reported to the carrier at the time of delivery and reported to Seller in writing within two days after receipt of the Products.

5.15 The Seller's liability is limited to providing the Products that may be missing on delivery.

6. PRICES

6.1 The data of the Products listed on ELCOS S.R.L. price lists are non-mandatory, but merely indicative, since the features and prices of Products could be changed at any time by the Seller. Unless otherwise stated, the prices quoted on the price lists or on quotes have to be considered Ex Works and do not include the cost of packaging, transport and insurance, or any additional charges (taxes, duty, etc.). These entries are all charged to the Customer.

6.2 The quotes prepared by ELCOS S.R.L. are only valid for 45 days from the date of issuance of the same, unless otherwise agreed and expressed in writing on the order confirmation.

6.3 ELCOS S.R.L. may at any time make adjustments to the prices in the event of significant variations in costs of raw materials used for the Production of the Products and, in any case, vary or withdraw the quotes or bids before the contract is concluded.

6.4 The prices applicable to sales of Products will be those in force at the time of the acceptance of order by the Seller through the issuance of an Order Confirmation.

6.5 ELCOS S.R.L. reserve the right to accept the cancellation of an order by the Customer. In which case, however, the costs and expenses incurred up to the date of cancellation and the loss and damage suffered by the Seller as a result of cancellation of the same shall be immediately reimbursed by the Customer. The acceptance of cancellation of order will still be binding on the Seller only if expressed in writing.

7. PAYMENTS

7.1 Invoices shall be paid directly to ELCOS S.R.L., which is not responsible for payments made in a different way. The risk of transfer of the sums, whichever means is chosen, always remains responsibility of the sole Customer.

7.2 The payments must be made within the agreed term and in accordance with the written agreement stated on the Order Confirmation. Any technical or business claim shall not be entitled to any suspension of payments. The ownership of the Products is transferred to the Customer at the time of full payment of the price. In case of any outstanding payment, the Customer shall, without prejudice to the right of the Seller to apply the termination of the contract and claim damages, pay interests at the rate set by the Legislative Decree Nr. 231/2002 from the date on which the Seller acquired the right to be paid. If the Customer fails to pay the Products within the agreed terms, ELCOS S.R.L. shall have the right to immediately suspend the execution of any contract of sale with the same Customer, until the latter has proceeded with the full payment of the due amount, with regard to the contract for which there has been failure to pay and for those still to be executed.

7.3 Each Contract must be evaluated on its own and honored as such. In case of sale with split deliveries, the price of each delivery must be separately paid for, within the time specified in clause 7.2.

7.4 Any sums paid by the Customer prior to delivery of the goods will be held, to a maximum of 50% of the total price of the Products, as confirmatory deposit and down payment. Therefore, these sums will be considered on fulfillment of obligations basis, if the Customer properly fulfills with the obligations imposed on him, or otherwise, permanently retained by ELCOS S.R.L. in the event of non-fulfillment by the Customer.

7.5 If the Seller has granted a payment divided into installments, the failure to pay even a single installment will result in the automatic loss of the benefit of the term and the Seller shall be entitled to demand immediate full amount, plus interest referred to in clause 7.2.

7.6 In the event of payment by installments, ELCOS S.R.L. has the right to require even after the conclusion of the contract and prior to delivery of the Products, suitable additional bank guarantees.

8. WARRANTY - TERMS OF USE - BRAND NEW PRODUCTS

8.1 The Seller guarantees to the Customer that, from delivery date of the Products, they are free from any defects in workmanship or related to the raw materials used or to the design that can make the Products unsuitable for use, as expressly promised by the Seller to the Customer.

8.2 In no event shall the Seller be liable for any defect or lack of conformity of Products, unless the Customer proves that such defect or non-conformity is attributable to the Seller.

8.3 WARRANTY COVERAGE

Within the limits of the following provisions, ELCOS S.R.L. commits to repair, where possible, any imperfection of the Products which is a result of a defect in design, material or workmanship for a period as per the below template or longer according to the conditions of sale.

GE 1500/1800 RPM 50 Hz/60 Hz

scope of usage PRP 12 Months/1000 working hours starting from shipping date from Elcos facilities.

scope of usage STB 24 Months /500h starting from shipping date from Elcos facilities.

GE 3000/3600 RPM 50 Hz/60 Hz

scope of usage PRP & STB 12 Months / 500 working hours starting from shipping date from Elcos facilities.

The condition which occurs first, excludes the other.

The metal sheet as well as the canopies are covered by a 24 month warranty against corrosion for indoors installations, and 12 months for outdoor installations, subject to verification of the environmental conditions of use / absence of corrosive substances, and proper periodic maintenance of the metal parts.

All optionals are covered by 12 months warranty, with limitation to the number of operations reported in the datasheet of the component for motorized switches and changeovers.

8.4 The possible existence of defects or imperfections does not determine the termination of the contract, nor the right of the Customer to request sums by way of compensation. It only gives the right to receive, at the discretion of ELCOS S.R.L., the replacement or repair of the defective Product, where possible, at ELCOS S.R.L. workshop. In this regard, it is expressly agreed that the Customer can not raise any further claim against the Seller, except in cases

of willful misconduct or severe negligence of the latter. Any defects resulting from normal wear and tear of Products due to their use and the damage resulting from wear of electrical parts are excluded from this warranty.

8.5 ELCOS S.R.L. can make to its Products any reasonable changes to the technical specifications, design, materials and finishes as it deems necessary and / or appropriate, even without giving notice to the Customer.

Therefore, the Customer cannot contest or reject, even in part, the supply because of such reasonable changes.

Once completed the gen-set installation work, performed by qualified technicians, it is necessary to ask the ELCOS service department for the commissioning services (or first start service). This operation has to be performed by ELCOS authorized personnel and it is mandatory for validation of the warranty coverage.

8.7 In order to benefit from the warranty on Products, the Customer shall:

a) report in writing to the Seller of the defect or imperfection of the Products not later than eight (8) days after its discovery, and send all the available information and documentation;

b) refrain from issuing statements or admissions which could still cause damage to the Seller;

c) cooperate with the Seller, upon request of the latter, in managing the service under warranty.

d) provide the copy of the commissioning certificate.

8.8 In any case, the Customer loses the right to warranty if:

a) the price is not fully paid within the agreed time;

b) are not followed any instructions provided by ELCOS S.R.L. for use, installation and maintenance of the Products described in the use & maintenance manual of the gen-set as well as in the manuals of the gen-set components.

c) the Products are modified without ELCOS S.R.L. authorization;

d) the Products are used for a purpose other than that for which they are intended;

e) the seals have been tampered with;

f) fuels and / or lubricants and / or coolants that have been used are unsuitable, however, unauthorized or not recommended by ELCOS S.R.L.;

g) the Products have been repaired by staff unauthorized by ELCOS S.R.L.;

h) the Products have been repaired with spare parts not approved by ELCOS S.R.L..

i) the Products have been exposed to impact, fire or other accidental factors;

m) the Products have been exposed to corrosion and / or have been installed in salty environments.

8.9 Items reported as defective and confirmed as such by the Seller upon written confirmation, must be returned to ELCOS S.R.L. for their replacement or repair at the expense of the Customer, followed by a regular Dispatch Note indicating the reference of Dispatch Note and / or Commercial Invoice and return authorization number. The return of defective parts must be forewarned and authorized by ELCOS S.R.L.. The Products found to be defective must also be returned to the Seller complete in all parts (including packaging) and in perfect condition: else, any loss and / or damage shall be charged to the Customer.

8.10 Returned Products or defective parts will not be accepted, unless expressly authorized by the Seller.

8.11 The Seller's liability is limited to replacing or (at its sole option) repair the Products that may be defective and operates on the condition that the Customer returns the Product or part of contested Supply within 15 days from the date of the notice provided for in clause 8.7.

8.12 In no event shall the Seller liability, for any reason, be extended to damage or any indirect, incidental, or consequential loss that may be suffered by the Customer as a result of defects and / or lack of conformity of the Products.

8.13 The fault or defect in one or more Products, even if promptly reported, will not be a legitimate reason to challenge the entire supply.

8.14 The warranty referred to in this document shall not include in any case the cost of transportation, shipping and any travel by the ELCOS S.R.L. staff.

8.15 Any suggestion and recommendation regarding the use of the Products is given in good faith, but it is the Customer who has to verify the usability of the Products for their own purposes.

8.16 The Seller provides, upon the Customer's request, instructions regarding the use of Products to ensure that, when put into use, the Products are as safe as possible and not likely to cause damage to health.

8.17 The Customer guarantees that the Products are used according to the instructions of the Seller, and undertakes to inform any person who provides the Products that the Seller is ready and willing to communicate any further information necessary or appropriate for the safety of the Products themselves and their users.

8.18 The technical data of the tables contained in the catalogue and on ELCOS website must be considered as indicative and not guaranteed.

8.19 The foregoing warranties are the sole and exclusive the Customer can use, but the Customer who has not fully paid the supply will not be entitled to any warranty.

8.20 All parts or components replaced or repaired during the warranty period will have a warranty equal to the remaining warranty period of the original component.

8.21 For the proper functioning of the generating set, the commissioning and start-up is required within 6 months from the date of shipment.

8.22 Items excluded from the warranty coverage: starter batteries, all the consumable spare parts eg. Fuel filters, air filters, oil filters, fuses, brushes collectors ; gaskets, pipes and hoses, belts, spark plugs, pre-heaters, fuel level sensors, engine oil, grease and antifreeze, checks and adjustments to be made during commissioning, adjustments and settings in general. For parts not manufactured by ELCOS SRL, please refer to the guarantee conditions of the manufacturers and their limitations (engine, alternator, electronic cards, etc.).

8.23 The above conditions do not apply to the sale of second-hand goods, which are considered as seen and liked in the conditions in which they are found.

9. RETENTION OF TITLE

9.1 The ownership of the Products is transferred to the Customer only when the latter pays the price of the supply or of the Product itself and any other amount due by the Customer for any reason to the Seller. The risks and responsibilities go to the Customer from the moment that the goods are declared to be ready.

9.2 Until the condition laid down in clause 9.1 has not happened, the Customer must keep the Supply or the Product, as its depositary, and store it separately from all other goods, any source of, in his possession. So that it is clearly identifiable as good or group of goods owned by the Seller.

9.3 The Customer cannot use and / or sell as part of its normal business, the provided finished Products, before the condition laid down in clause 9.1 has happened, unless the Customer has received the approval of the Seller in a written document of certain date. In this case, however, the Seller must be informed of how the Products are used or where they may be transferred.

9.4 Until the condition laid down in clause 9.1 has not happened, the Seller may at any time ask the Customer to return the goods at the risk and expense of the Customer.

9.5 In the event of breach of the obligation by the Customer, as provided in this paragraph, the Seller shall be entitled to terminate with immediate effect all orders of the Products that the Seller has not yet processed, without prejudice to compensation for the damage.

10. PATENTS

10.1 If the Product is made on the basis of specifications, instructions or drawings provided by the Customer, the latter assumes full responsibility for the usability and accuracy of the descriptions, instructions or drawings and agrees to indemnify and hold harmless the Seller from any infringement of patent, registered design, trademark or copyright for any loss, damage or expense that might arise from that breach to the Seller.

10.2 The Customer may not use the Products or any part thereof or any description or drawing, even if not specifically protected by a patent or trademark, to design or produce similar goods, unless the Customer has obtained the prior written consent from ELCOS S.R.L. Even in this case, however, all patents, registered designs, trademarks, copyrights and intellectual property rights relating to or connected with the Products remain the full and exclusive property of ELCOS S.R.L. and the Customer shall maintain the strictest confidentiality in this respect.

Even in this case, however, all patents, registered designs, trademarks, copyrights and intellectual property rights related to or connected with the Products remain the full and exclusive property of ELCOS S.R.L. and the Customer shall maintain the strictest confidentiality in this respect.

11. FORCE MAJEURE

11.1 Each party may terminate or not perform its contractual obligations when the action becomes impossible or unreasonably burdensome, due to an unforeseeable event beyond its control such as strike, boycott, lockout, fire, war, civil war, riots and revolutions, requisitions, embargo.

11.2 The party claiming a force majeure shall inform the other party in writing and without delay about the rise and termination of such an event.

11.3 If the force majeure persists beyond a period of six months, either party has the right to terminate the contractual relationship.

12. EARLY TERMINATION

12.1 Each party shall be entitled to terminate with immediate effect these Conditions of Sales, as well as any single contract of sale of the Products that has not yet been executed, if the other party becomes responsible of a serious breach of the contract.

12.2 In particular, the Seller may cancel these Terms and Conditions with immediate effect in a simple written notice to be sent by registered mail in the following cases:

- a) if the Customer fails to fulfill its obligations relating to the payment of the Products;
- b) if the Customer becomes subject to bankruptcy or liquidation, or if the financial conditions of the Customer are so to reasonably assure the insolvency of the Customer.

13. JURISDICTION

13.1 Any dispute concerning these Terms and Conditions and inherent the conclusion, execution or termination of this Agreement, i.e. any damage caused by the Products or their use is governed by the current Italian law and handed over to the jurisdiction of Italian ordinary courts, notwithstanding any other criterion of the law, or conventional, the local jurisdiction, in order to obtain provisional or conservative measures, or at least of a precautionary nature, it is exclusively reserved to the Court of Cremona.

13.2 The Vienna Convention on the International Sale of Goods will be applied to the extent that its provisions are not clashing with these Conditions of Sale.

13.3 These Terms and Conditions supersede all previous versions. For matters that are not specifically provided in these Terms and Conditions, the current Italian legislation is in force.

14. MISCELLANEOUS

14.1 These Terms and Conditions of Sale, as supplemented by the Order Confirmation related to each sale or supply of Products, constitute the sole agreement between the parties regarding the sale of the Products and may not be changed or integrated, unless agreed between the parties in writing. The execution of the Contract by ELCOS S.R.L. does not mean the acceptance of any changes or exemptions requested by the Customer under these Conditions of Sale.

14.2 The possible invalidity of all or some clauses of these Conditions of Sale shall not extend its effects to other contractual provisions. The parties shall replace, if and to the extent possible, the invalid provisions with other valid agreements with equivalent or similar content.

14.3 The Italian text of these Conditions of Sale, even if written in several other languages, will be considered the only authentic text for their interpretation.

14.4 The Seller shall be entitled to reproduce these Conditions of Sale on the invoices and / or on the shipping documents relating to the Products.

14.5 If the Seller fails to take any legal action or assert any right under these Terms of Sale, such acquiescence behavior shall not be construed as a waiver to exercise in the future the same legal action or the same right.

14.6 The parties declare that they have discussed and examined in a comprehensive way the clauses of these Conditions of Sale, as published on the website of the Seller and consequently they agree to the full content pursuant to and for the purposes of Articles 1341 and 1342 of the Italian Civil Code.

15. DUAL USE

15.1 The Customer declares to be aware of the existence of European Union regulation concerning the transfer of DUAL USE technologies and the fact that any decision of the Italian and / or European competent authority and / or of a State member of the European Union can restrict or prohibit the export of equipment from Italy or from another European country, and that in such event the Seller shall not be held responsible in any way or for any reason whatsoever.

15.2 The Customer shall ensure and declare that the equipment will be used exclusively for civil use and every different use is excluded.

In addition, the Customer shall assure, guarantee and take responsibility - even against third parties - that the equipment will not be re-exported outside of Italy.

PROCESSING OF PERSONAL DATA

With the signing of these Terms and Conditions, the Customer authorizes and expressly consents, pursuant to Law n. 196 dated 30th of June 2003 and Law no. 675 dated 31st of December 1996, that the data collected can be processed for the purposes of the proper administration of the contract and the fulfillment of legal obligations. In addition, if the personal data of the Contractor should be subject to disclosure to third parties for the same purposes, the Contractor authorizes and expressly consents to the communication itself.

To accept these Terms and Conditions and to consent the processing of data, please sign and stamp here below:

ELCOS S.R.L.

THE CUSTOMER

For all legal purposes, the Customer declares to have fully read and accepted unconditionally all three pages of these conditions of sale consisting of the introduction, which forms integral part of the same, and fifteen articles, with particular reference to what described in the articles: 1), 2), 3), 4), 5), 6), 7), 8), 9), 10), 11), 12), 13), 14), 15).

ELCOS S.R.L.

THE CUSTOMER