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Direzione e coordinamento: GAI S.p.A.

CONTRACT'S TERMS

1. THE PARTIES

"GAI": GAI S.p.A., whose head office is in Frazione Cappelli 33/b, Ceresole d'Alba (CN), and all the companies in the GAI group.

"The Buyer": the party who intends, by signing this order and general terms of sale, to purchase one or more GAI machines.

2. PLACEMENT OF ORDER - By signing this order, the Buyer unreservedly accepts the terms of sale given herein. The order is subject to written acceptance by GAI. Any additional covenants or amendments shall be null and void unless agreed in writing.

3. ACCEPTANCE - GAI reserves the right to refuse this order proposal in writing by fax or e-mail to be sent to the Buyer within 15 days of its signing.

4. PRICES - The final selling prices are to be understood as being those in force at the time of delivery.

5. FINAL CHECK AND ACCEPTANCE - GAI will give reasonable notice of the date on which the functional checks on the GAI machinery sold will be performed, to all intents and purposes, at the GAI facility located in Ceresole d'Alba (CN). The Buyer may attend or delegate a representative to attend the check, which may nevertheless be performed in the absence of the Buyer or the Buyer's authorized representative. Any claims relating to the results of the check must be submitted and set down in writing at the time of the performing of the check itself. If no claims are submitted at that time, final acceptance of the GAI machinery sold will be understood as having been given by the Buyer.

6. DELIVERY - GAI machinery is installed on the basis of the chronological order in which orders are received from Customers-Buyers and of criteria established irrevocably by GAI under no time restraints.

If the GAI machine sold is composed of more than one component, they may be shipped directly to the Buyer prior to the installation. In this case, the Buyer undertakes to take care of said material until the arrival of the installers, and shall be liable for any damage caused to the material until such time.

Unless decided otherwise by GAI, the delivery of GAI machinery and/or related components is understood as being agreed on EXW (Incoterms 2000) terms from the GAI facility in Ceresole d'Alba (CN), with consignment of the goods to the Buyer or to the Buyer's carrier or forwarder. From that moment on, the risks relating to loading, transporting, unloading, and anything else relating to destruction of goods shall be borne by the Buyer.

7. ASSEMBLY - In the event of it having been agreed that the installation of the GAI machinery sold is to be carried out by GAI or specialists contracted by GAI at the Buyer's facility, the Buyer shall give all the assistance necessary for ensuring the rapid and perfect performance of the work. Before the installation, the Buyer shall therefore perform, at its own expense, all the plant engineering work, electrical, hydraulic and pneumatic connections and, if necessary, building work required according to GAI's instructions.

8. DAMAGES FOR LATE DELIVERY - GAI will do everything in its power to perform the contract and/or deliver the GAI machinery within the agreed lead-time, if any, but shall in no event be liable for any direct or consequential damages to the Buyer or third parties due to the late performance of an obligation arising from the contract or from the late delivery of machinery.

9. PAYMENTS - Payments are to be made to GAI's head office in Ceresole d'Alba (CN) by the agreed due dates and methods. This is also to be understood as the place of payment in the case of the issuing of bills, endorsed bills or drafts. The term for payment or interest on arrears shall commence on the date of the invoice. Whether it be in cash or bills, the full payment of the price or down-payment, agreed for the day of delivery, must be made as soon as GAI has advised the Buyer that the GAI machinery is ready for shipment. It is understood that GAI shall in no way be obliged to authorize shipment until the Buyer has paid the amounts due.

GAI may, at its own discretion, extend the Buyer credit, and in this case the following shall be applicable: a) the payment of the Net Price indicated on the invoice is to be made according to the terms indicated and agreed between the parties for each specific order; b) in addition to every other remedy provided under applicable law or these General Terms, GAI reserves the right to apply interest on arrears on late payments starting from the date on which the payment becomes due at the Euribor 3-month rate plus 5% (five per cent); c) in the event of the sale of GAI machinery to foreign buyers, or buyers with their registered or administrative offices abroad, if GAI has not expressly declared its decision to apply the payment conditions under a) and b) above, the GAI machinery must be paid for by the Buyer by irrevocable Letter of Credit confirmed by an Italian bank accepted by GAI, and collectable against presentation of the delivery documents and the related invoice, with the confirmation costs and charges to be borne exclusively by the Buyer. Said Letter of Credit is to be received by GAI together with the Order issued by the Buyer. In any case, in the event of payment later than agreed, and without prejudice to every other right, interest at the Euribor 3-month rate plus 5% (five per cent) shall begin to become due to the Vendor.

No claims whatsoever relating to the supply or its performance will exempt the Buyer from punctual and full payment of the agreed price in accordance with the agreed methods. The issuing by the Buyer of bills shall in no event be considered as final payment of the price, constitute novation or prejudice retention of title.

10. SALE WITH TITLE RETENTION AND LEASING - If sale by instalment is agreed for the GAI machinery to which this order is related, title to the property will be retained by GAI until the agreed price has been paid in full. Therefore, until the Buyer has fulfilled its contractual obligations and has paid the full price, the Buyer shall be a simple depositary of the purchased goods, which shall remain exclusively the property of GAI. As a result, the sale, assignment to third parties or removal of the GAI machinery and of any related components from the premises in which they were introduced on their delivery is strictly forbidden. Should nevertheless, in contempt of this specific embargo, the GAI machinery held by the Buyer with retention of title in GAI's favor be sold by the Buyer to a third party, all the proceeds of the sale to the third party are to be transferred to GAI until the price due to be paid to GAI by the Buyer for the sale of said machinery has been settled, without prejudice to any right for compensation for greater damages.

In the event of default by the Buyer, and, in particular, should any payment whatsoever due to GAI from the Buyer (whether relating to the sale of GAI machinery or of any other goods or services supplied by GAI to the Buyer) remain overdue for a period of more than 7 (seven) working days, GAI may inform the Buyer of its decision to exercise its right to collect the machinery held by the Buyer with retention of title in GAI's favor. In this case, the Buyer shall immediately place the GAI machinery at GAI's disposal, and allow GAI access to its premises to retake possession of said machinery. It is understood that the Buyer shall be exclusively liable for every charge, expense, cost and risk relating to the collection of the GAI machinery. The parties may agree on the purchasing of the GAI machinery by leasing through a leasing company chosen or accepted by GAI. In this case, the leasing company shall undersign these terms of sale for their full acceptance, it being understood that the leasing company shall participate in the final check as per article 5 hereinabove together with the user or its delegate, and that in its absence the final acceptance of the machinery sold shall proceed as regulated by said article 5.

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11. CONFORMITY WITH SPECIFICATIONS AND TERMS OF WARRANTY - GAI guarantees that the GAI machinery sold shall comply with the technical specifications declared by GAI to the Buyer upon acceptance of the Buyer's order. GAI guarantees furthermore that the GAI machinery shall be free of defects within the limits of the technical guarantee provided in the user's and warranty manuals in force at the time of its delivery.

The GAI machinery is sold with a 1-year post-delivery warranty for normal eight-hour-day operation. If it is subjected to double or triple work shifts, this warranty period shall be understood as being reduced by half or two-thirds respectively. The warranty gives the right to replacement of defective parts with fitting ex-GAI works in Ceresole d'Alba (CN), with the exclusion of every other service. The warranty shall cease automatically if the Buyer tampers with the machinery or parts of it, or makes any modifications whatsoever without GAI's written consent. GAI shall be released from its warranty obligations in the event of total or partial default by the Buyer or of the Buyer's failure to report any defects or quality shortcomings within eight days of the delivery of the GAI machinery sold or of their discovery. All electrical parts, and all the parts of GAI machinery which, on account of their material composition and of the nature of their use, are subject to inevitable deterioration are excluded from the warranty.

Excepting fraud or gross fault, in no event, apart from the provisions of this article, does GAI guarantee that the GAI machinery will always be operational or will always be safe and error-proof; in relation to the GAI machinery sold, GAI rules out any type of implicit guarantee relating to marketability or conformity with a purpose or use which differs from the provisions of these terms or the user's manuals or is in breach of any legal provisions. In no event may GAI be held liable for any event attributable to force majeure, chance or default by a third party. No guarantee is issued by GAI in relation to the compliance of said products with rules and regulations, to be understood as expressly including regulations relating to safety and accident-prevention, in force in the country of the Buyer when this is outside Italy or, more in general, in any nation which is not a member of the EU.

In no event may GAI in any case be held responsible for any damage to persons or things caused by the operation and running of the machinery by the Buyer or the user or any person given responsibility for it.

12. CATALOGS, PRICE LISTS AND PROMOTIONAL MATERIAL - Catalogs, price lists and any other form of promotional material are purely representative of the type of product and prices, and the information given therein shall not be binding for GAI. All the information given in GAI's price lists and catalogs is supplied in good faith. Although the utmost care is taken in ensuring that the information is correct, GAI accepts no responsibility for any errors which may inadvertently have been made.

In particular, any reproductions of GAI machinery in catalogs, price lists and leaflets are to be understood as being given merely as a guide. The weights, measurements and all other data given in said catalogs are also to be understood as being approximate, so no claims may be made in the event of any differences. The production capacity of GAI machinery given in said publications is purely intended as a guide, and relates to processing carried out by competent personnel with products including, without being limited to, standard bottles, corks, capsules, labels. GAI shall always have the right in the course of its production to make any variations it considers appropriate in relation to catalog or list models.

13. AFTER-SALES SERVICE - On request, GAI can supply Buyers with an after-sales service through which its employees and specialist consultants will help solve any problems encountered on GAI machinery sold. The Buyer may contact After-Sales Service from 8 a.m. to 12 p.m. and from 2 p.m. to 6 p.m. Monday thru Friday by calling the telephone number provided by GAI on installation of the GAI machinery sold on the Buyer's premises. The Buyer's calls will be put through to a Service operator, who will address the call according to the type of problem encountered. If necessary, a specialist technician will be sent to the Buyer's premises. The cost of the intervention and of any repair shall be charged to the Buyer at the rates set by the ANFORMAPE association.

14. BUYER'S DECLARATIONS AND GUARANTEES - The Buyer declares and guarantees that it has had from GAI or from its agents all the information and clarifications relating to the machinery manufactured and sold by GAI and the subject matter of this proposal.

The Buyer undertakes specifically and expressly to accept, comply with and fulfil all the procedures, terms and conditions laid down in this Contract, any technical attachments and the operating manuals of GAI machinery in using said machinery supplied by GAI, and to accept and comply specifically with every other technical document relating to the GAI machinery sold as may be communicated in future by GAI.

The Buyer expressly declares and guarantees that it has examined the General Terms of Sale and that it accepts them with no possibility of raising objections in future.

The Buyer undertakes furthermore not to register brands, trademarks or names which are similar to GAI's, with special reference to the trade names or trademarks used in relation to GAI machinery.

The Buyer guarantees furthermore that it shall treat information relating to the specifications of the GAI machinery, and specifically to the components and software used, with the utmost confidentiality, undertaking in particular not to divulge or disclose, or to use the information relating to said components and software.

15. TERMINATION - In the event of termination of the contract due to default on the part of the Buyer, or in the event of consensual termination of the contract on the request of the Buyer, the Buyer shall be subject to the payment of a penalty of 20% (twenty per cent) of the original selling price.

It is understood that the contract will be considered as being terminated by right, and that GAI will have the right to have what has been sold returned, free its facility in Ceresole d'Alba (CN), if the Buyer fails to pay any one instalment which exceeds one eighth of the price or two instalments of any amount, whether consecutive or not. In the event of termination, the return of the GAI machinery sold may be required by GAI at any time by registered letter with return receipt requested. In such event, every charge, expense, cost and risk for the collection of the machinery shall be borne exclusively by the Buyer, who shall indemnify the damages to be paid on the basis of the difference between the contractual selling price (to include the costs of any bill stamp duty, registration, etc., paid in advance by GAI) and the market value of the GAI machinery on the day of its return. The damages thus calculated are to be increased by the addition of 10% of the original selling price as compensation for loss of earnings.

16. APPLICABLE LAW, METHOD OF SETTLING DISPUTES, TECHNICAL ARBITRATION - All contracts with the Buyer are to be understood as having been stipulated in Italy, and are to be governed by Italian law. Any disputes are to be referred to the exclusive jurisdiction of the Court Of Alba, it holding good however that GAI, at its discretion, may forgo the application of Italian law and/or the jurisdiction of the Court Of Alba in order to take action against the Buyer at the latter's registered office and through the competent court for such place.

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17. INTERNATIONAL SALE - The United Nations Convention on Contracts for the International Sale of Goods (ratified in Italy with Law no.765/1985) does not apply to any sale or supply of GAI machinery made by GAI to the Buyer under these Terms.

The Buyer ✍ _____

The Buyer accepts the provisions of the following clauses: 4 (prices); 8 (limitation of damages for late delivery); 10 (retention of title); 11 (limitation of warranty); 14 (Buyer's guarantees); 15 (settlement and penalties); 16 (applicable law, exclusive competence and jurisdiction); 17 (exclusion of the Vienna Convention on the International Sale of Goods).

The Buyer ✍ _____

SELLER _____

BUYER _____