

ART. 1 - SCOPE OF APPLICATION

These General Conditions are applicable to each sales agreement (hereinafter “the Agreement”) for machines, accessories, spare parts and equipment (henceforth “the Products”) concluded between MITA Water Technologies S.r.l. (henceforth “MITA WT”), on the one hand, and purchasers of the Products (henceforth “the Purchaser”), on the other. These General Conditions supersede all previous editions and may be updated from time to time as posted on the MITA WT website.

ART. 2 - CONCLUDING THE AGREEMENT

Each order shall be irrevocable pursuant to art. 1329 Civil Code for a period of fifteen (15) days, but the Agreement shall only be understood to be concluded further to MITA WTs’ explicit written acceptance of the order – also by fax – as per arts. 1326 and 1352 Civil Code, as MITA WT has to make a series of prior technical-financial enquiries. All other deeds or actions on the part of MITA WT and/or its employees and/or agents and/or other mandatory agents of MITA WT, including the collection of sums paid in and/or cheques delivered at the time the order is signed by the Purchaser, shall not constitute acceptance of the order on the part of MITA WT and shall not therefore result in the conclusion of the Agreement.

ART. 3 - WITHDRAWAL

After the order has been accepted by MITA WT, as at art. 2 above:

- MITA WT may withdraw from the Agreement up until the time the Products are delivered to the Purchaser, pursuant to art. 1373 Civil Code, without any liability towards the Purchaser and without owing the Purchaser anything by way of due payment for withdrawal.
- the Purchaser may only terminate the order if a written notice is received in writing by MITA WT. This notice shall provide MITA WT with 10 days notice of intent to terminate the order. At the end of the 10 day notification period, MITA WT will cease all progress on the order, and will provide a final invoice to the Purchaser which will deduct any milestone or progress payments made as of the date of the final invoice, but will include all costs that have been incurred by MITA WT up to the 10 day notification period. No termination of orders can occur on products that have completed fabrication and are ready to ship. Once the final invoice has been paid, the project termination is complete and can not be reopened again without a new proposal being generated.

ART. 4 – DELIVERY AND/OR COLLECTION OF PRODUCTS. TRANSPORT

4.1. Products sold shall be exclusively those specified in the Agreement and indicated in the relevant invoices.

4.2. The delivery terms indicated in the Agreement will not be taken to be essential pursuant to art. 1457 Civil Code.

4.3. In the event that the Products have to be transported by MITA WT to the Purchaser, pursuant to art. 1510 Civil Code, MITA WT is released from the obligation to deliver the Products, remitting these to the carrier and/or to the shipper. The risks pertaining to Product transport shall always and exclusively be borne by the Purchaser. Save for a written agreement to the contrary, the costs for the transport of the Products shall always and exclusively be borne by the Purchaser.

4.4. The Purchaser may not refuse to accept the Products by pleading objections concerning the quality of and/or flaws and/or defects in the Products.

4.5. The withdrawal or acceptance of delivery of products from the MITA WT whether it happens performed directly by the customer with any related charge in its own expense, or if MITA WT arranges for shipment of products in the interest of the customer, must be carried out strictly within the contractual amount. In case this term is not respected for reasons attributable to the customer, MITA WT may, at its only discretion: i) demand performance of the contract and demand the

immediate payment of the full price of the Products, as established by the parties to the agreement, the purchaser will lose the benefit of the term; or ii) rescind the contract ex art. 1456 Civil Code, the just burden of written notice to the Purchaser. Any costs resulting from the non timely withdrawal of the Products by the Purchaser shall be borne only by the latter.

4.6. In any case, MITA WT may require the Purchaser, the payment of a sum of € 50.00 (fifty euro\ 00) as a penalty for each additional day of delay beyond the tenth established in the Contract for the withdrawal of products. The parties hereby declare and agree that the amount indicated as a penalty is fair and the interest which has MITA WT the timely collection of the Products (after the end of tolerance of 10 days) from the Purchaser, products already sold that inevitably create objective difficulties and costs not budgeted for housing and storage, all subject to claim additional damages.

ART. 5 – CONDITIONS OF PAYMENT

5.1. Save for any exceptions which may be set down in the Agreement, payment must be made at the time the Products are delivered, in accordance with the following conditions.

5.2. All payments, including those by promissory note or cheques, must be made exclusively to MITA Water Technologies: cheques must be made out to MITA Water Technologies and must bear the wording “non transferable”.

5.3. Should MITA WT grant extensions to the agreed payment deadlines, or renewals of bills, these extensions and/or renewals shall in no case result in the renewal of the relationship between MITA WT and the Purchaser.

ART. 6 – DOWN PAYMENT AS CONFIRMATION

6.1. At the time the order is signed the Purchaser shall deliver the following to MITA WT: a) cash; and/or b) bank cheques/drafts in accordance with the indications given in the Agreement. The parties expressly agree that, after the Agreement has been concluded as at art. 2, a) the cash; and/or b) the bank cheques/drafts shall constitute a down payment as confirmation pursuant to art. 1385 Civil Code.

6.2. When the Purchaser correctly fulfils all the obligations specified in the Agreement, the down payment as confirmation shall be ascribed to the Purchaser’s benefit, as per art. 1385, paragraph 1, Civil Code.

ART. 7 – GUARANTEE FOR FLAWS/DEFECTS/LACK OF QUALITY

7.1. Purpose

A. The exclusive purpose of the guarantee is to repair and/or replace components affected by flaws and/or defective raw materials and/or manufacturing defects.

B. Defective components must be repaired and/or replaced, either on-site at MITA WT premises or at a supplier authorised by MITA WT or at the Purchaser’s premises.

C. Delivery and collection of the Products from MITA WT or from an authorised supplier chosen by MITA WT or from the Purchaser for repair and/or replacement shall be at the exclusive responsibility and expense of the Purchaser.

D. MITA WT shall be entitled to acquire ownership of the replaced components without payment.

E. The performance of repairs and/or replacements under guarantee has no novation effects.

F. Repair or replacement of defective equipment is the final remedy for this claim.

7.2. Exclusion

A. MITA WT expressly excludes all guarantees concerning flaws and/or defects which can be ascribed to natural deterioration, negligence in usage, manipulation, poor maintenance, incorrect use, or alteration of the Product characteristics and/or accidents.

B. MITA WT warrants title, and that the Product will be new and free from flaws or defects.

C. MITA WT expressly excludes all guarantees concerning Product merchantability or fitness for any purpose.

D. Also guarantees concerning the suitability of the Product for any particular use, placement and/or purpose are expressly excluded and all declarations, reports and/or documents, even if transcribed on the original MITA WT form, concerning the suitability of the Product for any particular purpose, placement and/or use issued by dealers, agents, representatives and/or other parties in the name of and on behalf of MITA WT shall be devoid of effect. Performance claims that are project specific, contain all influent and effluent conditions, flows and loads, and bear the stamp and approval of MITA WT's technical process expert are included in product warranties.

E. MITA WT expressly excludes all guarantees and all responsibility for the worsening of flaws and/or defects due to the continued use of the Products by the Purchaser, in the event that MITA WT, due to an action ascribable to the Purchaser or in no way ascribable to MITA WT, is unable to intervene in good time in order to verify and/or eliminate the aforesaid flaws and/or defects.

F. All guarantees are expressly excluded for used Products.

G. Any and all guarantees are expressly excluded for Product components which are manufactured by companies and/or concerns other than MITA WT.

H. MITA WT expressly excludes all guarantees and all responsibility vis-à-vis the leasing company in the case of Products purchased under leasing.

I. MITA WT's total liability with respect to the goods or services sold hereunder will be limited to the remedy provided in section 7 of these general conditions and, with respect to any other breaches or claims of its contract with the Purchaser, will be limited to the contract price of the affected goods giving rise to the claim. Such repair or replacement will be the purchaser's exclusive remedy and MITA WT's sole liability with respect to any deficiency in services furnished.

7.3. Notification

The Purchaser must notify flaws and/or defects in writing to MITA WT within and no later than the deadline of eight (8) days from discovering them, with an analytical, detailed list of the disputed flaws and/or defects indicating all the details on the Products (e.g. registration number, work carried out, delivery date etc.) as well as the date the flaws and/or defects were discovered.

7.4. Term and cessation of effect of the guarantee

A. The guarantee shall have the following term: three hundred and sixty (360) days as of the date of delivery, save for any exceptions set down in the agreement for new machines;

B. The guarantee shall irrevocably cease to have effect upon expiry of the deadlines indicated above.

C. The guarantee shall irrevocably and retroactively cease to have effect should the Agreement be cancelled pursuant to art. 9 of these General Conditions.

D. Should the Purchaser resort to bank financing, a loan or leasing to purchase the Products, the guarantee shall irrevocably and retroactively cease to have effect if MITA WT should decide to cancel the Agreement, pursuant to art. 8.3 hereunder of these General Conditions, in the event that the bank financing, loan or leasing transaction undertaken by the Purchaser is not concluded for whatsoever reason, or should the relevant agreements be cancelled due to defaulting by the Purchaser.

7.5. Forfeiture

The Purchasing party shall forfeit the guarantee immediately and without the need for any verbal and/or written contestation on the part of MITA WT, when it has:

- failed to respect all the formal procedures of time, form and content set down by art. 7.3;
- used spare parts and/or accessories which are not MITA WT originals (i.e. are not manufactured by MITA WT);

- used original MITA WT spare parts and accessories (i.e. manufactured by MITA WT) incorrectly or in any manner which does not conform to MITA WT's instructions;
- removed and/or cancelled and/or altered and/or tampered with the identifying signs (e.g. trademark, registration number etc.) of the Products and/or of the Product components.

7.6. Exclusion of responsibility

MITA WT expressly excludes all responsibility for any direct and/or indirect damage, by way of emerging damage and/or loss of profits, caused to persons and/or property, which is the direct consequence of flaws and/or defects of any type in the Products, or caused by the use of the Products. MITA WT will not be liable for, and disclaims, all consequential, incidental, indirect and contingent damages whatsoever.

7.7. Waivers

The Purchaser irrevocably waives the right to ask:

- for cancellation of the Agreement due to flaws and/or defects and/or lack of quality and/or, as the case may be, the inadequacy of the Products for use;
- for reductions of the price specified in this Agreement due to flaws and/or defects and/or lack of quality and/or, as the case may be, the inadequacy of the Products for use;
- for compensation for direct and/or indirect damages resulting directly and/or indirectly from flaws and/or defects and/or lack of Product quality.

7.8. Interpretation

Also in exception of the Civil Code, the only guarantee that MITA WT shall recognise to the Purchaser for flaws and/or defects and, as the case may be, the inadequacy of the Product for use and/or lack of quality, is exclusively the guarantee under this art. 7, which also constitutes a limitation and/or exclusion of the guarantee pursuant to art. 1490 Civil Code, and which must be interpreted as such.

ART. 8 – PURCHASING THE PRODUCTS USING BANK FINANCING, LOAN OR LEASING

8.1. When the Purchaser resorts to bank financing, loan or leasing to purchase the Products, all expenses for these transactions shall be borne exclusively by the Purchaser who must, therefore, return to MITA WT any and all sums advanced by the latter.

8.2. The Purchaser must diligently and in good time attend to prepare the relevant documentation and/or to sending MITA WT all the relevant and necessary documentation: failing this, MITA WT shall be entitled to cancel the Agreement de jure under art. 1456 Civil Code, with the only obligation to notify the Purchaser in writing.

8.3. Should the bank financing, loan or leasing transaction requested by the Purchaser not be granted, or should the relevant agreements be cancelled due to defaulting on the part of the Purchaser – and the Purchaser consequently undertakes to notify MITA WT in writing and in good time of the lack of a successful outcome to these transactions or of the cancellation of the relevant agreements – if the Agreement has already been concluded as at art. 2, MITA WT shall be entitled to cancel the Agreement de jure under art. 1456 Civil Code, being obliged only to notify the Purchaser in writing. If MITA WT decides not to exercise its right to cancel the Agreement, the Agreement shall remain effective and as a result the Purchaser shall be obliged to pay the price of the Products purchased and to comply with all the other obligations set down by the Agreement.

ART. 9 – CANCELLING THE AGREEMENT

In addition to the terms of the individual articles of these General Conditions, MITA WT may:

- cancel the Agreement de jure under art. 1456 Civil Code, being obliged only to notify the Purchaser in writing, or

- demand a bank surety at first request from the Purchaser issued by a leading bank to guarantee payment of the amount still owed by the same Purchaser to MITA WT, in the following circumstances:

- i) should there be any change in the Purchaser's financial conditions such as would endanger the performance of the services by the Purchaser;
- ii) should the Purchaser become bankrupt or be subject to other insolvency procedures.

ART. 10 – FORCE MAJEURE

MITA WT is expressly excluded from any responsibility for defaulting and/or delay in complying with any obligation under the Agreement which are due to force majeure; force majeure shall mean, by way of example and neither exhaustive or compulsory: considerable manufacturing difficulties and/or an interruption in MITA WT's production for whatsoever reason, a lack of spare parts, particular market situations, strikes, insurrections, natural calamities, provisions by any authority etc.

ART. 11 – "SOLVE ET REPETE"

Pursuant to art. 1462 Civil Code, the Purchaser may not raise any objection and/or dispute in order to suspend or defer payment of the amount owed to MITA WT and/or the enforcement of the other obligations resting on the Purchaser set down by the Agreement, until such time that the Purchaser has paid MITA WT in full and, in any event, until all the obligations set down by the Agreement for the Purchaser have been completely fulfilled. In particular, by way of example and not compulsory, the Purchaser may not raise the objections as per arts. 1460 and 1461 Civil Code, or objections based on any formal objections/demands on the part of the Purchaser in respect of MITA WT, including any formal objections/demands based on the alleged imprecise compliance with the obligations on the part of MITA WT set down by the Agreement.

ART. 12 – AGENTS AND OTHER ASSOCIATES OF MITA WT

It is understood as of now that MITA WT's sales representatives, agents and all other external associates who are not equipped with an explicit power of representation can in no case bind MITA WT, which can only express its intentions by accepting the order as at art. 2.

ART. 13 – BAN ON TRANSFER

The Agreement may not be ceded or transferred by the Purchaser to third parties, in whole or in part, without MITA WT's prior written consent. Should the Agreement be ceded or transferred in whole or in part without MITA WT's prior written consent in writing, MITA WT is entitled to cancel the Agreement de jure under art. 1465 Civil Code, being obliged only to notify the Purchaser in writing.

ART. 14 – RESERVATION OF MITA WT TO HAVE ITS OWN RIGHTS ACKNOWLEDGED

Failure on the part of MITA WT to exercise the rights due to it by law and/or on under the Agreement and/or these General Conditions shall not entail any waiver by MITA WT from exercising these rights at a later date.

ART. 15 – AMENDMENTS

All amendments and/or additions to the Agreement must be agreed in writing between MITA WT and the Purchaser upon pain of nullity.

ART. 16 – REGISTRATION

Any expenses for registering the Agreement shall be borne exclusively by the Purchaser.

ART. 17 - "SABATINI" LAW (Law no. 1329 of 28 November 1965)

17.1. The Sale of Products made by resorting to the "Sabatini" Law shall be subject to these General Conditions, to the extent that these General Conditions are compatible with the same "Sabatini" Law, for all terms not expressly set down to the contrary in the Notarial Deed or in the Private Authenticated Deed at arts. 2 of the "Sabatini" Law.

17.2. All costs and charges for these transactions shall be borne exclusively by the Purchaser who must therefore return to MITA WT any and all sums advanced by the latter.

ART. 18 – APPLICABLE LAW

The Agreement is governed by the law of Italy.

ART. 19 – COMPETENT COURT

Any and all disputes which may arise in relation to the interpretation or enforcement of this agreement, as well as those obligations originating and/or resulting from this agreement, or governed and/or regulated thereby, shall be under the exclusive jurisdiction of the Italian Court of Milan.

ART. 20 – SEPARABILITY OF PROVISIONS

Should one of the provisions of these General Conditions be null and void, ineffective or inapplicable, the remaining provisions shall in any event remain valid and effective. The parties expressly undertake to replace all provisions which are null and void, ineffective or inapplicable with other provisions allowing them to obtain the same results in a legally valid and effective manner.

ART. 21 – INTELLECTUAL PROPERTY

The rights to Intellectual Property shall remain the sole and exclusive property of MITA WT and the rights attached to that Intellectual Property. Nothing herein grants to the Purchaser any right, title or interest in or to any of the Intellectual Property in the Goods. The Purchaser shall not claim to have acquired any right, title or interest to the Intellectual Property in the Goods by virtue of purchasing Goods sold hereunder. As used herein, "intellectual property" means any intellectual or industrial property right anywhere in the world including, without limitation, any patent, patent application, utility model, copyright (including copyright in manuals, databases, and promotional materials), registered design and other design rights, unpatented secrets and innovations, confidential information, and any other rights that may subsist anywhere in the world in improvements, inventions and other manufacturing processes or technical and other information of Seller.

ART. 22 - PRIVACY POLICY PURSUANT TO LEGISLATIVE DECREE No. 296 OF 2003

Data relating to the Purchaser shall be processed exclusively in compliance with Law no. 196 of 2003. The Purchaser may access his own data at any time and may ask MITA WT's Data Manager to correct, supplement, and, when appropriate, to delete it.