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General Sales Conditions

INTRODUCTION

The contractual relation consequent to this order confirmation is governed by the following General Sales Conditions as well as by the specific terms in other documents hereto attached provided that they are signed by SIG SPA (hereinafter the Seller).

Taking delivery of the goods always implies the acceptance without reservations of SIG's General Sales Conditions by the Buyer.

1) OFFERS

Unless otherwise stated in writing, all offers made by the Seller are not binding and are subject to these General Sales Conditions. Agents and brokers cannot bind the Seller.

2) ORDERS AND CONFIRMATIONS

Orders are accepted only upon our written order confirmation.

The Buyer is bound by the prices and conditions of our written order confirmation. However, in case of non-conformity between the order and our order confirmation, the Buyer may withdraw from the sale by giving written notice thereof to the Seller within seven days after the date of our order confirmation.

3) DELIVERY

Our sales always refer to delivery "ex works" at Seller's factory in Gorla Minore to be intended as the place of performance of the obligation to deliver the goods, also in case of prices including freight. Any other different indication of place of destination or use of Incoterms will only refer to the transportation cost and it will not modify the place of delivery. In any case all risks on the goods pass to Buyer upon handing over the goods to the first carrier, this will apply also for shipments paid by the Sellers. Any claim for events or omission concerning transportation must be immediately raised to the carrier, according to the terms and conditions provided for by CMR or any other transport document, under penalty of losing any rights thereto related against the Seller.

4) DELIVERY TIME

The time of delivery indicated in the order confirmation is indicative only and is not binding for the Seller. The Seller shall not be liable towards the Buyer or third parties for damages caused directly or indirectly by delays in delivery. In any case the Seller cannot be considered in default if the delay depends on circumstances of force majeure or anyhow beyond Seller's control as acts of God, war, riot, sabotage, fires, explosions, strikes, embargo, acts or omissions by the authority.

In case of delay in delivery the Buyer shall be entitled to withdraw from the sale by giving 30 days written notice thereof to the Seller being excluded any claim for damages other than reimbursement of the down payment, if any, without interest. It is expressly excluded the right of withdrawal if the delay depends on the fact of the Buyer or force majeure. During the period of notice of withdrawal, the Seller shall be entitled to deliver the goods keeping unaltered the validity of the sales contract.

5) PERFORMANCE OF PRODUCTS

Unless specifically guaranteed in writing, the Seller is not responsible for the performance of the products, even if described in the technical specifications. Unless differently agreed in writing the Seller is not responsible for the adequacy of the Products to the uses or purposes indicated by the Buyer.

Data and characteristics indicated in technical documents, such as handbooks, brochures and catalogues, do not bind the Seller and may be modified without any notice at any time.

Any sample is indicative only.

6) PAYMENTS

Payments are valid only if made to the Seller at its domicile. Partial or total default in payment of any invoice, even regarding interest, entitles the Seller to suspend any supply, even if depending on other orders. Interest shall automatically accrue on the sums due at the rate Euribor three months plus 7%.

Modifications of Buyer's financial situation shall entitle the Seller to obtain a bank guarantee, immediate payment or terminate sales contracts concerning unpaid goods.

Delay in payment of one or more invoices entitles the Seller to request payment in advance for all the remaining supplies or to obtain a bank guarantee covering the whole amount. The Seller reserves all other actions and rights provided by the law.

7) RETENTION OF TITLE

All supplied goods shall be the property of the Seller until the price and accrued interest are fully paid by the Buyer. However, all risks regarding loss of goods depending by theft, fire and natural events shall pass to the Buyer upon delivery.

8) WARRANTY

The Seller warrants that the goods comply with the features specified in the order confirmation – save the tolerances indicated under clause 10 - and that they are free from defects in material and workmanship. Esthetical imperfections, such as spots on rubber surface that do not affect duration of the belts do not constitute defects. The warranty is granted for a 12 months period commencing from the delivery of the goods.

The Buyer shall lose the right to the warranty in case of any misuse, unsuitable storage or improper installation of the supplied goods as well as in case of violation of the rules with respect to claims indicated in the following clause or in case of delay in payments.

Should the Seller acknowledge the defects or non-conformity, it will be obliged, at its own choice either to repair the goods or to substitute the goods or to credit an amount up to their purchase price. In any case the indemnification due to the Buyer shall not exceed the reimbursement of the price paid for the defected goods and for the relevant freight charges.

Returned goods will not be accepted by the Seller unless previously authorized in writing.

It is expressly excluded the liability for direct, indirect and/or consequential damages depending on defective supplies. The Seller accepts to discuss claims only with the Buyer.

9) CLAIMS

The Buyer must duly check and inspect the goods at their arrival. Any claim must be raised to the Seller within 8 days from the receipt of the goods if it concerns visible defects or non-conformity, or within 8 days from the discovery if it concerns hidden defects. However, no claims can be raised after one year from delivery date. Claims must specify the nature and the importance of the alleged defect and be completed with photos showing it. All claimed goods must be put at the Seller's disposal or its nominees for inspection. Should the Buyer not follow the above-mentioned provisions, or misuse the goods, the claim shall not be valid and the warranty shall cease to be in force on that issue.

The Seller accepts to discuss claims only with the Buyer.

10) TOLERANCES

On the finished products and on the single parts that compose them, the usual tolerances, compatible with the national and international norms are the following:

a) width tolerances

WIDTH	
nominal mm.	tolerance
300 400 500	$\pm 5 \text{ mm.}$
600 650 800 1000 1200 1400 1600 1800 2000 2200 2400	$\pm 1 \%$

b) tolerance for endless belts length

from m.	to m.	tolerance
0	15	$\pm 50 \text{ mm.}$
15	20	$\pm 75 \text{ mm.}$
20	onward	$\pm 0,5 \%$

c) tolerance for open belts length

Rolls	TOLERANCE (maximum permissible difference between the delivery length and the ordered length)	
as one length	$- 0 \% / + 2,5 \%$	
in several length	for each single length	$\pm 5 \%$
	for the sum of all lengths	$- 0 \% / + 2.5 \%$

11) INSPECTION

The inspection of the material is carried out only if expressly requested by the Buyer in the order and expressly accepted by the Seller. All inspection will take place only at Seller's factory before delivery.

The inspection may be carried out:

- A) by the Seller's inspection department, which will issue a laboratory test certificate;
- B) by recognized official boards;
- C) by Buyer's deputies.

In cases B) and C) all costs and fees of official boards or appointed technicians will be completely at Buyer's charge. In case that the inspection is carried out according to B) and C), the responsible person for the inspection will have to draw up and sign an inspection report immediately after the inspection and give it to the Seller's test responsible, independently of the positive or negative result of the inspection.

12) TERMINATION

In case of alteration of the Buyer's patrimonial conditions which may endanger the payment, as well as in case of insolvency, liquidation or death, the Seller will be entitled, at its choice, to withdraw from all pending contracts or to require adequate guarantee for their execution.

13) LANGUAGE

Any communication or notice concerning SIG's contracts will be in Italian or English.

14) APPLICABLE LAW

Applicable law on sales contract shall be determined according to Rome Convention 1980 on the Law Applicable to Contractual Obligations also for contracts concluded in a third country.

15) JURISDICTION AND ARBITRATION

For any dispute between the Seller and a Buyer having its place of business or registered seat within the European Union the forum of jurisdiction is governed by European regulations.

In all other cases - except only for debt collection concerning undisputed amounts owed to the Seller, for which SIG is entitled to apply to any competent court - any dispute concerning the validity, interpretation, execution, breach and/or termination of supply contracts concerning SIG goods shall be finally settled by a board of three arbitrators according to the Rules of the Chamber of National and International Arbitration of Milan, www.camera-arbitrale.com. The arbitration shall take place in Milan.