

**SIG**

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## GENERAL PURCHASING TERMS AND CONDITIONS

### 1. WHAT IS COVERED

#### 1.01. Goods and Services

These General Purchasing Terms and Conditions (the “GPTC”) apply to the purchase by SIG SOCIETÀ ITALIA GOMMA S.p.A. (the “**Buyer**”) of production goods and services from the firm or company supplying them (the “**Supplier**”) including: (a) production and service parts, components, assemblies and their accessories; (b) raw materials; (c) tooling; and (d) design, engineering or other services related to the supply of the goods. Those terms and conditions can be obtained directly from the Buyer.

#### 1.02. What's Being Purchased

SIG’ Purchase Order and the Purchase Contract, this if existing, describe the goods including services thereto related (the “**Goods**”) being purchased and specify the name and address of the Buyer and the Supplier.

### 2. CONTRACT FORMATION

#### 2.01. Contract Formation

The contractual relation consequent to Buyer’s order is governed by these GPTC.

A Contract is formed when the Supplier accepts Buyer’s Purchase Order, or a Material Planning Schedule issued pursuant to a Purchase Contract by the Buyer is accepted by the Supplier. This occurs upon the earlier of the Supplier notifying the Buyer of its acceptance of the offer.

#### 2.02. Other Terms and Conditions

No terms or conditions other than those that apply to the Purchase Order as described in this Clause 2 will apply to the Purchase Order; in particular, any contract terms that may have been submitted by the Supplier are expressly excluded even if they are mentioned in Supplier’s order confirmation.

### 3. QUANTITY AND RISKS

#### 3.01. Requirements

The Supplier will fulfil Buyer's requirements for the Goods or Tooling as shown on the Purchase Order.

#### 3.02. Supplier's own risk

Any work that is undertaken or carried out by a Supplier, without first obtaining a Purchase Order that sufficiently and validly covers the costs of such work, shall be at Supplier’s risk and cost.

### 4. TERM

4.01. Agreed terms of delivery are binding for the Supplier.

### 5. CHANGES

#### 5.01. Changes to the Buyer's Order

The Buyer may make changes to its order for the Goods, or Tooling at any time. These may include changes to the design, specifications, engineering level, materials, raw material, packaging, shipping date, or time or place of delivery. The Supplier will promptly notify the Buyer by Written Notice if the proposed change will affect cost or timing and provide substantiation of its claim and the Buyer

and the Supplier will negotiate in good faith on an equitable price adjustment (whether up or down), a change in shipping or delivery terms, or other appropriate adjustment.

## **6. PAYMENT TERMS AND TAXES**

### **6.01. Payment Terms**

Unless differently stated in the Purchase Order, the standard due date for payment of an invoice is 60 days following the end of the month in which that invoice is received, provided the Goods have been received and receipt of delivery has been acknowledged in writing by the Buyer or the agreed payment milestone has been reached.

### **6.02. Advanced Shipping Notices**

Unless differently stated in the Purchase Order, the Supplier will provide the Buyer with Advanced Shipping Notices. Failure to do so may delay payment to the Supplier and will adversely affect the Supplier's performance rating on the Supplier's scorecard. The Buyer is entitled to suspend its payment in case of missing and/or partial and/or unsuitable documentation relating to the shipment until the receipt of complete documentation.

### **6.03. Total Price and Taxes**

The total price for the Goods will include duty (if applicable) and tax. The Supplier will separately show on its invoice any duties, and any sales tax, use tax, value-added tax (VAT) or similar turnover taxes, levied on the Goods or Development Services. The Supplier will provide whatever documents and information the Buyer may require supporting taxes paid, tax reporting, or recovery of VAT. Unless differently stated in the Purchase Order,

### **6.04 Notice of Offset**

The Buyer shall notify the Supplier in the event that the Buyer intends to offset any amounts which are owed to the Buyer by the Supplier against any amounts owed by the Buyer also under a different Purchase Order. Once such notice has been provided, the Buyer may exercise such offset right.

## **7. DELIVERY**

### **7.01. Delivery, Title and Risk of Loss**

The Supplier shall deliver the Goods strictly in the quantities and on the date(s) specified in the planning schedule or in the Purchase Order for the Goods. If no delivery term is stated then DDP Gorla Minore (Buyer's warehouse) as defined in Incoterms 2020© shall apply. Title and risk of loss or damage will pass at the time and place of delivery.

### **7.02. Supporting Documentation**

If requested by the Buyer, the Supplier will provide supporting documentation to allow the import and export of all Goods, such as certificates of conformity, country of origin codes, mid codes, composition statements, health and safety data/sheets and any other information necessary to support declarations to and compliance with International Customs regulations.

### **7.03. Notice and Supplier's Right to Cure**

The Buyer is entitled to store the Goods with their original packaging without any obligation to unpack the Goods at arrival. This implies that the Buyer has no obligation to inspect the Goods until the Goods are unpacked for use or reach final destination in case of resale.

Any non-conformity or defect which is not visible before unpacking the Goods may be communicated to the Supplier within 10 days from its discovery.

If the Goods do not conform to the Contract (the "Non-conforming Goods"), the Buyer will notify the Supplier their non-conformity after the Buyer has discovered it.

At the Buyer's option, the Supplier may attempt re-delivery, supply missing Goods or rework, replace or otherwise remedy a non-conformity in the Goods as long as:

(a) the Supplier can perform the remedial work at the Buyer's site (subject to the discretion of the Buyer), without disruption to the Buyer's operations or in the place where the Goods have been delivered, stored or installed;

(b) the remedial work will not cause any additional costs to the Buyer or its customer; and

(c) the cure can be completed by such deadline established by the Buyer.

#### **7.04. Buyer's Options**

If the Buyer determines in good faith, after consulting with the Supplier, that the remedial work or the relevant cure cannot be completed within the terms of Clause 7, the Buyer is entitled to reject the Non-conforming Goods and, at the Buyer's option, request delivery or redelivery of conforming Goods at the Supplier's cost. If the Non-conforming Goods are rejected, the Buyer is entitled to either return them to the Supplier, or to scrap the Non-conforming Goods, both at the cost of the Supplier. The Buyer may scrap the Non-conforming Goods if they are not collected within ten working days of the Buyer's rejection. If the Supplier continues to supply Non-conforming Goods, the Buyer may at its own discretion, formally reject the Non-conforming Goods. The Supplier shall, upon each rejection of Goods by the Buyer, pay a reject note charge in respect of the steps taken by the Buyer to reject the Goods and exercise its remedy, with reservation to claim damages.

#### **7.05. Costs Incurred by the Buyer**

The Supplier is liable for all damages, losses, costs, and expenses incurred by the Buyer resulting from the failure or delay of the Supplier to deliver the goods or in case of non-conforming Goods or to comply with the shipping and delivery or other requirements of the Buyer, even if the Supplier has cured the failure under Clause 7.03.

#### **7.06. No Acceptance or Waiver of Rights**

Neither collection nor payment by or on behalf of the Buyer will constitute acceptance of Non-conforming Goods, nor will it limit or affect any of the Buyer's rights.

### **8. CONFIDENTIALITY**

#### **8.01 Confidential Information**

If requested by the Buyer, the Buyer and Supplier:

- (a) shall keep and procure to be kept secret and confidential all Confidential Information by using at least the same degree of care as it uses to protect its own Confidential Information, but in any event no less than a reasonable degree of care, to prevent the unauthorised use, disclosure, dissemination or publication of the other Party's Confidential Information.
- (b) shall not use or disclose the other Party's Confidential Information, save for the purposes of the proper performance of the Purchase Order or with the prior written consent of the other Party.
- (c) may share the other Party's Confidential information with their Group Companies and consultants, contractors, experts and agents provided that the person or entity with whom or which the information is being shared has agreed in writing to be bound by confidentiality provisions comparable to those specified in this Clause 8.

#### **8.02 Exceptions**

The obligations under Clause 8.01 do not apply where the receiving Party can show by evidence Confidential Information was:

- (a) or become available to the public other than as a result of a breach of these GPTC;
- (b) disclosed with the disclosing party's prior written approval by Written Notice;
- (c) in its possession or already known by it prior to entering into the Purchase Order or rightfully obtained from a third party entitled to disclose the same;
- (d) independently developed by it;
- (e) required to be disclosed by applicable law, a court or any governmental body or authority of competent jurisdiction, provided the receiving party has, to the fullest extent permitted by law, provided the disclosing party with a Written Notice of the court order, and has fully cooperated with the disclosing party in seeking confidential treatment for the disclosures.

### **9. INSURANCE**

#### **9.01. Insurance**

The Supplier shall have and maintain, throughout the term of the Purchase Order, in force at its own cost such insurance policies as are appropriate and adequate having regard to its obligations and liabilities under this GPTC, including product liability according to applicable law.

## **10. CLAIMS OF INFRINGEMENT**

### **10.01 Supplier Obligations**

The Supplier shall, at its sole cost and expense, indemnify and hold the Buyer harmless against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by any of the Buyer Indemnitees arising out of or in connection with any claim or allegation (whether made against any Buyer Indemnitee or any third party) that the manufacture, sale or use of Goods or any of the Supplier's activities under a Purchase Order causing damages to third parties, including IP rights.

This indemnity includes any claim or allegation that such infringement arises from the manufacture, sale or use of the Goods or its components:

- (a) alone;
- (b) in combination with any other item; or
- (c) in accordance with the Supplier's recommendations.

### **10.02 Assistance to the Buyer**

The Buyer, in its sole discretion (but after consultation with the Supplier), shall decide whether the Buyer or the Supplier will investigate, defend and otherwise handle any such claim or allegation and may take such action as the Buyer decides to avoid, dispute compromise or defend the claim or allegation. In the event that the Buyer decides to investigate, defend or handle any such claim or allegation, at Buyer's request, the Supplier will at its own cost assist the Buyer with the same.

## **11. WARRANTY**

### **11.01 Supplier's Warranty**

The Supplier warrants that during the applicable Warranty Period (as defined in Clause 11.02):

- (a) the Goods and/or Design Data will conform in all respects to the drawings, specifications, samples and other descriptions and requirements relating to the Goods and/or Development Services that have been agreed by the Buyer and the Supplier;
- (b) the Goods do not infringe third-parties rights;
- (c) the Goods will comply with all Government Requirements and applicable safety standards of the countries in which the Goods are to be sold;
- (d) the Goods will be of a high standard and quality in accordance with the quality standards as agreed between the Parties, and shall be free from defects in materials and workmanship;
- (e) the Goods and/or the Design Data will be free from defects in design to the extent that the design has been provided by the Supplier, its Group Companies or their subcontractors (even where any technical requirements for the Goods have been provided by the Buyer);
- (f) the Goods be suitable and fit for their intended use by the Buyer; and
- (g) the Goods be free from any substance which is prohibited from use.

If the Goods do not comply with the requirements set out in this Clause 11 throughout the Warranty Period, then the Supplier shall indemnify the Buyer against all costs, losses and expenses incurred by the Buyer and the end-user in replacing such parts, including the costs of obtaining replacement parts (including handling, landing and shipping costs) and the labour charges of undertaking such replacement work.

### **11.02. Warranty Period**

The Warranty Period begins on the date the Goods are delivered to the Buyer (or a Group Company or third party designated by the Buyer) and expires after 18 months or on the later date that of:

- (a) the date on which the period of the applicable new belt warranty covering the Goods ends; or
- (b) the date on which any longer or broader Government Requirement covering the Goods ends.

## **12. COOPERATION**

### **12.01 Early Notification**

The Buyer or the Supplier, as appropriate, will inform the other about any non-conformity of the Goods that have been sold by the Buyer as soon as reasonably practicable after it has been discovered and then will confirm the nonconformity by Written Notice if requested by the other. The Buyer and the Supplier will cooperate fully with each other to identify the cause of the nonconformity and to develop a plan for the prompt remediation of it.

## **13. INDEMNITY**

### **13.01 Definitions**

For the purposes of this Clause 13, an "Indemnified Person" includes the Buyer, its Group Companies and their directors, officers, and employees. "Litigation Costs" includes all costs, damages, losses, claims and expenses (including actual fees for legal representatives, experts and consultants, settlement costs and judgments) suffered or incurred in defending against a claim under Clause 10.01.

### **13.02 Supplier's Obligations for Third Party Claims**

The Supplier will indemnify and hold an Indemnified Person harmless against all Litigation Costs occasioned by, resulting from, or arising out of any claim by a third party for death, personal injury, or property damage which results from:

- (a) any delay or defect in the Goods supplied by the Supplier;
- (b) any noncompliance by the Supplier with any of its representations, warranties or obligations under a Purchase Order; or
- (c) any negligence or fault of the Supplier in connection with the design or manufacture of the Goods.

## **14. TERMINATION**

### **14.01 Supplier's Breach**

The Buyer may immediately terminate a Purchase Order, in whole or in part, upon Written Notice to the Supplier if the Supplier breaches the terms of the Purchase Order. If such breach relates to an obligation of the Supplier that is, in the opinion of the Buyer, capable of cure, the Buyer may terminate a Purchase Order under this Clause 14 only if the Supplier has failed to cure the breach within fifteen (15) days of the date of the Buyer's Written Notice. This circumstance is an immediate termination clause.

In the event of a termination by the Buyer under this Clause 14 the Supplier will be responsible for all the damages incurred by the Buyer for the Supplier's breach of the terms of the Purchase Order, including, but not limited to, the expenses for the costs of purchasing goods from other suppliers and the damages resulting from the Supplier's delay.

## **15. AUDIT RIGHTS**

### **15.01. Supplier Records and Facilities**

If requested by the Buyer, the Supplier will permit the Buyer (and its authorised representatives) to:

- (a) examine all pertinent documents, data and other information relating to the Goods, Tooling, the Supplier's obligations under the Purchase Order, any payment made to the Supplier and/or any claim made by the Supplier. These documents may include but are not limited to invoices, requisitions, time reports and Purchase Orders;
- (b) view any facility or process relating to the Goods or the Purchase Order, including those relating to production quality; and
- (c) audit any facility or process to determine compliance with the requirements of the Purchase Order.

## **16. COMPLIANCE**

### **16.01 Compliance with laws**

The Supplier shall comply with all Government Requirements that may apply to the Supplier and the Buyer concerning design, production, sale, or distribution of the Goods. The Supplier will comply with the Buyer's requirements relating to the use (or prohibition on use) of certain materials and substances in the Goods.

#### **16.02 Substances of Very High Concern**

According with CE Regulation n. 1907/2006 (REACH Regulation) and further modifications, Supplier must notify the presence of Substances of Very High Concern (SVHC), which are included in the Candidate List periodically updated by ECHA.

#### **16.03 Data Protection Legislation**

The parties shall in their performance of the Contract comply with their respective obligations under the Data Protection Act 2018, and the General Data Protection Regulation 2016/679.

### **17. GENERAL**

#### **17.01. Assignment**

The Supplier may not assign any of its obligations without obtaining the Buyer's prior written consent by Written Notice. The Supplier will continue to be liable to the Buyer for the performance of all of its obligations following any assignment.

#### **17.02. Relationship**

The Supplier shall not represent itself as being an agent, partner, employee or representative of the Buyer and the Supplier shall not hold itself out as such nor as having any power or authority to incur any obligation of any nature, express or implied, on behalf of the Buyer. Nothing in these Terms and Conditions shall create or be deemed to create a relationship of employer and employee or principal and agent between the Parties or any for of collaboration between the Parties.

#### **17.03. Waiver**

The rights and remedies of either Party in respect of the Purchase Order shall not be diminished, waived or extinguished by the granting of any indulgence, forbearance or extension of time granted by a Party to the other nor by failure of, or delay by that Party in ascertaining or exercising any such rights or remedies. A waiver of non-performance under the Purchase Order must be by Written Notice and will apply only to the specific instance addressed in the waiver and to no other past or future non-performance.

#### **17.04. Severance**

If any provision or part-provision of these Terms and Conditions is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this agreement.

#### **17.05. Replacement**

These Purchasing Terms and Conditions supersedes and replaces with effect from the Effective Date all previous agreements and any prior correspondence or representations, unless otherwise agreed between the parties.

#### **17.06. Variation**

No purported alteration or variation of the GPTC shall be effective unless it is in writing, refers specifically to the GPTC and is signed by a duly authorised representative of each of the parties.

#### **17.07. Third-Party Rights**

Except as expressly provided in these GPTC, no term, condition nor right in or arising under any of the documents relating to the purchase of the Goods gives or creates any third-party beneficiary rights or any other rights whether in law or equity to any person or entity other than the Buyer or the Supplier.

### **18. DISPUTE RESOLUTION**

#### **18.01. Negotiation and litigation**

In the event of a dispute between the Parties relating to the Purchase Order, the one raising the matter in dispute will notify the other by Written Notice describing the nature of the dispute. Each Party will then appoint within fifteen (15) days of the notification one or more representatives to resolve the dispute. These representatives will promptly meet and negotiate in good faith to reach a fair and equitable settlement. At the end of thirty (30) days starting from the notification of the Written Notice describing the nature of the dispute, if no settlement has been reached, either Party may end discussions and consequently each one could initiate a litigation.

**18.02. Governing Law and Jurisdiction**

The Purchase Order and these Terms and Conditions are exclusively governed by the laws of Italy and the Forum of Milan, Italy will have exclusive jurisdiction for any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims). Notwithstanding the above, the Buyer shall be entitled to involve the Supplier in any lawsuit if sued by a third party before any other court of justice.