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Dear Sirs

GENERAL CONDITIONS OF SALE

Article 1

Contract provisions

1.1 The present general conditions, exception made for any written derogation, shall regulate all present and future contracts of sale between the parties. Any general conditions of the purchaser shall not apply to any relationship between the parties if not expressly accepted in writing. Nevertheless, in this case, exception made for any written derogation, the general conditions of the purchaser shall not prejudice the efficacy of the present general conditions and shall have to be coordinated therewith.

1.2 The reference that may be made to commercial terms (Ex Works, FOB, CIF, etc.) is understood to be made to the Incoterms of the International Chamber of Commerce in the text in force at the moment of entering the contract.

1.3 All contract of sales between the parties as well as the present general conditions, shall be governed by the Italian law and in particular by law n° 765 dated 11th December 1985 on international sale of goods, ratified by Vienna Convention of 11th April 1980, as well as by Law n° 975 dated 18th December 1984 on the applicable law on contract obligations, ratified by Rome Convention of 19th June 1980; any derogation or reference made by the parties to specific articles of the Italian law do not imply an exclusion of the enforcement of the Uniform Laws hereabove, to the extent of their accordance with the contractual discipline.

1.4 The adhesion to the present general conditions, as well as all subsequent contract and behaviour of the parties regulated hereby, if not otherwise agreed upon in writing, do not imply the granting to the purchaser of any exclusive right, the existence of any distributorship relation, commission or mandate, with or without agency, nor the granting to the purchaser of the right to use, in any form, the trade marks or distinctive signs of the purchaser.

Article 2

Execution and Object of the Contract

2.1. No offer made by agents, representatives and commercial intermediaries of the seller shall be binding on the seller if not confirmed by the seller itself.

2.2. During negotiations, the mere sending of the present general conditions shall not imply the acceptance of any offer; nevertheless the general conditions substitute and cancel any general conditions priorly proposed by one of the parties.

2.3. The sending by the seller of a price-list or descriptive material of the product not expressly bearing the diction “offer” or an equivalent one, shall not be considered as a proposal.

The diction “not binding”, “if available” or similar ones inserted by the seller in an offer shall not bind the seller to the terms of the offer even in case of acceptance of said offer by the purchaser, exception made for subsequent written confirmation or conformable execution by the seller itself. The seller’s offer shall be considered firm or irrevocable only if qualified as such in writing by the seller itself and if containing a validity term of the clause.

2.4. The acceptance of the contract by the purchaser, however effected, shall involve its adhesion to the present general conditions. In case the seller issues an order confirmation, even after the entering of the contract, it shall be presumed that the terms of the contract correspond to the terms of order confirmation, excepting if the purchaser immediately communicates in writing the differences thereof.

2.5. The acceptance, with no expressed reserved by the purchaser, of non conformable products for type or quantity shipped at terms different from those contained in the purchaser’s request, shall imply acceptance by the latter of both the supply and the conditions proposed by the seller. The reserves hereabove (even if formulated as specifications or rectifications of the delivery conditions) shall have no force if not given in writing by the purchaser, on the day the merchandise is received.

2.6. All recordings or transcriptions requested by the state of each party or in the country of destination of the goods, in order to give full efficacy to the contracts governed by the general conditions hereabove or to one of their clauses, shall have to be carried out by the purchaser as its own care and charge.

Article 3

Samples, Technical Drawings and Documents

3.1. It is agreed that weights, dimensions, capacities, prices, performances, colours and other data contained in catalogues, prospects, circulars, advertisements, illustrations, price-lists or other illustrative seller’s documents, as well as the characteristics of samples and models sent by the seller to the purchaser, shall constitute an approximate guide only. These data shall have binding value only if expressly mentioned as binding in the offer or in the written acceptance of the seller.

3.2. Unless otherwise agreed upon in writing, in case the offer or the acceptance of the purchaser refers to a sample offered by the seller, the latter shall be deemed committed to the characteristics of the sample only within the limits indicated in art. 3.1.

3.3. In case the seller refers his supply to a sample given by the purchaser, the seller itself shall be deemed responsible – unless otherwise agreed upon in writing – for the compliance of its services (within the limits set forth in art. 3.1.) only with the apparent characteristics of the sample.

3.4. Any technical drawing or document enabling the processing or assembling of the products sold or of parts of them given to the purchaser, whether before or after entering the contract, shall remain exclusive property of the seller. The drawing or documents hereabove shall not be used by the purchaser nor copied, reproduced or transmitted to third parties without the seller’s written consent.

Article 4 Guarantee

4.1. Save as in this general conditions expressed and unless otherwise agreed upon in writing from time to time, the seller shall guarantee the conformity of the supplied products to what expressly agreed. The guarantee for defects shall be limited to the defects of products deriving from defects in planning, material or manufacturing attributable to the seller and shall not be valid in absence of the purchaser's proof of its correct use, maintenance and conservation and of no modification or repair to the products without the seller's consent.

4.2. The guarantee shall have a limited duration of six months, beginning from the date of delivery and shall be subject to the regular denunciation made by the purchaser according to article 5, as well as the written request to the seller to carry out a guaranteed intervention. In order to comply with the request hereabove, the seller shall be committed (as its own opinion), within a reasonable period of the time according to the extent of the claim, alternatively:

a) to supply the purchaser with products of the same kind and quantity of those proved defective or not in compliance with the agreement, free of charge and ex factory. In this case, the seller shall have the right to demand, at the expenses of the purchaser, the return of the defective goods, which become its own property;

b) to repair, at its own expenses, the defective product or modify the product not in compliance with the agreement, carrying out said operation where the products are located or in its own factory. In these cases, all costs relating to the transportation of the products shall be at the purchaser's charge;

c) to pay compensation for damages to the purchaser by crediting the purchaser an amount equal to the cost of repairing or modifying the products in its own factory;

d) to declare in writing the termination of the contract, offering to refund the price paid against the return of the supplied products.

Excepting fraud or serious fault of the seller, any compensation for damages to the purchaser shall not exceed the invoiced price of the claimed products.

4.3. The guarantee hereabove shall absorb and substitute the legal guarantee for defects and lack of compliance and exclude any other seller's responsibility, however originated by the supplied products; in particular, the purchaser shall have no right to put forth any other claim for damages, reduction of the price or resolution of the contract. Upon the expiry of the guarantee, no request can be made to the seller.

Article 5 Claims

5.1. All claims regarding quantity, weight, total tare, colour or quality defects or lack of compliance, the purchaser could notice at the moment of receiving the merchandise, shall have to be carried out by the purchaser, under penalty of forfeiture, on transport document, in writing, on the moment the goods reached their destination.

5.2. All defects or hidden lack of compliance (more precisely all non-notable defects on the basis of the verification demanded to the seller by law and by the paragraph hereabove) shall have to be denounced within 30 days from their discovery and however, under penalty of forfeiture, not beyond 6 months from the date of delivery.

5.3. All claims shall be put forward by means of a registered letter addressed to the seller and shall have to indicate in detail all noticed defects or lack of compliance.

Furthermore, in case of defects or lack of compliance the purchaser could notice at the moment of receiving the merchandise, the latter shall send to the seller a copy of transport document with the buyer's reservation. In absence of the requisites hereabove, no claim shall be effective.

5.4. Should the claim be found groundless, the purchaser shall have to refund the seller with all the expenses made for ascertainment (trips, appraisals, etc.). The purchaser shall have the same duty, should the claim result only partially grounded, up to a percentage not higher than 30% of the claim originally made.

Article 6 Manufacturer's Responsibility

6.1. Being stated that, as far as the characteristics of the products are concerned, the seller shall follow the laws and technical rules in force in Italy, the purchaser shall assume the whole risk of any difference between the Italian provisions and the provisions of the country of destination of the products, holding the seller harmless.

6.2. In no case shall the seller be deemed responsible for indirect or consequential damages, loss of production or lack of profit caused by the products sold.

Article 7 Payment

7.1. Any delay or irregularity in the payment shall grant the seller the right to suspend deliveries or to terminate the outstanding contracts even if not relevant to the payments at issue, as well as the right to claim damages. However, the seller shall have the right, beginning from the maturity of the payment, with no need for any intimation to pay, to obtain interests for delayed payment corresponding to the discount rate of the country of the seller increased by 1 point.

In case the purchaser does not respect the expiration of existent cash orders, the seller shall apply against returned unpaid amounts, flat-rate costs equal to € 50.00 (fifty/00 euro) for each cash order.

7.2. The purchaser shall be bound to fulfil its obligations of entire payment even in case of claims or controversy. In case of disputed amounts, the purchaser may, at its option, deposit the sums object of the controversy in a bank in the country of the seller until the controversy has been settled binding, the bank to transfer said sums to the seller should the controversy be settled in its favour. No compensation with any credit however arisen towards the seller shall be accepted.

Article 8 Reservation of Title

8.1. Should the payment be made – in whole or in part – after the delivery, the delivered products remain property of the seller until the payment obligations have been entirely fulfilled, within the limits of the law of the country where said products are located.

8.2. The purchaser shall have the obligation to take all necessary steps to constitute, in the country where the products are located, a valid property reservation in the most extensive form permitted or to create a similar form of guarantee in favour of the seller.

Article 9
Force Majeure

9.1. Should fires, collapses, floods, lack of supplies, transportation difficulties, strikes, lock-outs or any event beyond control of the respective parties hinder or sensibly reduce the production in the factories of the seller, or prevent the transportation between the seller's factory and the place of destination of the products, the injured party shall have the right to obtain a prorogation of the delivery or collection terms of the products of 45 days, provided that timely notice of such event of force majeure is given to the other party. The prorogation term may be extended in the most critical cases to 90 days.

9.2. Upon the expiry of the terms hereabove in the continuance of the event of force majeure, the other party shall have the right to terminate the contract by giving written notice thereof to the defaulting party by registered letter with return receipt. The defaulting party shall in this case have no obligation to pay damages.

9.3. Should the fulfilment of the seller's commitments, owing to any reason unforeseeable by an entrepreneur of the field with normal experience, have become – before their fulfilment – excessively onerous compared with the contractual obligation originally agreed upon, such as to modify by over 20 per cent, the seller itself shall have the right to request a revision of the contractual conditions or, failing such revision, to terminate the contract. In case of termination, all expenses borne by the purchaser for terminating the contract, shall have to be reimbursed to the purchaser.

Article 10
Assignment of the Contract

10.1. The purchaser shall have no right to assign his position in the contract or in individual binding relationships deriving from the contract without the written seller's consent thereof. The purchaser remains, however, jointly and severally responsible with the assignee for the assigned obligations.

Article 11
Interpretation, Modification, Invalid Clauses

11.1. The Italian text of the present general conditions shall be the only authentic text for the interpretation thereof.

11.2. Any exhibit or preamble shall be considered part of the contracts they refer to. Any reference made to price-list, general conditions or other material either by the seller or by third parties, shall be deemed made to the documents in force at the moment of said reference, unless otherwise specified. All correspondent texts previously in force between the parties shall have to be considered cancelled.

11.3. The declarations made or the behaviour held by the parties during the execution of the contract may contribute to the interpretation only of the contract they refer to and only where they do not contrast with the present general conditions or with the written agreements made by the parties at the time of entering the contract at issue.

11.4. Excepting the provisions set forth in articles 2.4. and 2.5. any modification or integration made by the parties to the contracts in connection with the present general conditions, shall be void unless set forth in writing. Any derogations to one or more dispositions of the present general conditions shall not be interpreted extensively or for analogy and shall not imply the will to disregard all present general conditions.

11.5. Unless otherwise agreed upon in writing, no variation to the contractual conditions between the parties shall constitute novation of the contract.

11.6. In case of invalidity or ineffective contractual provisions, the whole contract shall have to be integrated and interpreted as containing all the clauses that allow reaching, in compliance with the law, the essential aim pursued by the agreement containing the provisions hereabove.

Article 13
Competent Jurisdiction

13.1. Any dispute relating to or however in connection with the contracts governed by the present general conditions shall be settled by the seller's court as the exclusive competent jurisdiction; the seller shall however have the right to take action by the Purchaser's Court.

Date 1/01/2009

The seller
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The purchaser
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The provisions set forth in the articles hereunder are expressly accepted:

Art. 2 – Execution and Object of the Contract

Art. 4 – Guarantee

Art. 5 - Claims

Art. 6 – Manufacturer's Responsibility

Art. 7 – Payment

Art. 8 – Reservation of Title

Art. 9 – Force Majeure

Art. 10 – Assignment of the Contract

Art. 12 – Competent Jurisdiction

Date 1/01/2009

The seller
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The purchaser
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