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## **General Conditions of Supply (G.C.S.)**

### **1. EFFECTIVENESS**

These general conditions of supply shall be deemed applicable to whatever order unless expressly derogated from and accepted in writing by the Parties.

### **2. AGREEMENTS**

Any verbal agreement, statement or commitment made by agents or SMI personnel before, contextually or after the signing of the hereby G.C.S. shall not be deemed binding for SMI unless confirmed in writing by SMI.

### **3. CONFLICTING PROVISIONS**

In the event of conflicts between the provisions of the Supplier's documentation (i.e. orders, offers, confirmations) and the hereby G.C.S., the latter shall prevail unless otherwise expressly stated by SMI in writing.

### **4. PRICE VARIATION**

The prices set by the Supplier and accepted by SMI shall not vary unless otherwise stated in writing by the Parties.

### **5. DELIVERY**

5.1 Once the Goods are ready to be collected by SMI, the Supplier shall anticipate a copy of the transport document by e-mail.

5.2 The Goods shall be packaged in recyclable material and shall be delivered by the Supplier as per the delivery terms stated in the order in compliance with ICC Incoterms 2010 rules.

5.3 The Goods shall be delivered by the date specified in the order, unless otherwise agreed in writing by the Parties. Should the supplier fail to deliver the Goods by the agreed date, the Supplier shall be compelled to the hereunder penalties, without prejudice to the request for compensation for damages:

- 10% of the price of each product in the event the delivery is delayed between three and ten days (ordinary calendar) after the fixed date;
- 20% of the price of each product in the event the delivery is delayed beyond ten days (ordinary calendar) after the fixed date.

### **6. PARTIAL EXECUTION**

The partial execution of the supply is forbidden, unless otherwise agreed in writing.

### **7. CERTIFICATIONS**

Together with the supply, the Supplier shall forward to SMI all certifications related to the raw materials employed, the origin of Goods, the conformity with technical norms, the declaration concerning customs codes.

The Supplier declares he has subscribed a product liability insurance policy against damage to third parties, also including SMI customers' losses of production, with a sum insured equal to Euro 5,000,000.00.

The Supplier guarantees the respect of safety and health norms in the working environment where the Goods supplied are manufactured.

### **8. CLAIMS FOR FAULTY GOODS**

Complaints for partial or wrong deliveries and claims for visible defects shall be notified to the Supplier in writing within three (3) months after delivery unless different terms have been specified in the guarantee.

### **9. GUARANTEE**

9.1 The Supplier guarantees that the Goods are manufactured in compliance with the national and international laws regulating the quality of materials and the good manufacturing, and that the Goods have been accurately tested and submitted to rigorous inspections by

the quality control.

9.2 The Supplier guarantees, for a period of 2 years after delivery, that:

- Goods are delivered free from pledge or any other personal or real warranty;
- Goods comply with applicable specifications;
- Goods are free from manufacturing or working defects.

9.3 In the event of violation of the provisions of the previous paragraph, SMI shall be entitled to the termination of the agreement or the full elimination of faults at the supplier's expenses.

As per the terms agreed and in accordance with SMI requests, the Supplier shall be compelled:

- to replace non-compliant Goods with new ones at his own expenses;
- to send a technician capable of removing defects;
- to allow SMI staff to intervene at the Supplier's expenses and without prejudice to the warranty terms and conditions.

### **10. RETENTION OF TITLE**

The ownership of Goods shall be transferred to SMI at their delivery, unless otherwise agreed in writing by the Parties.

### **11. PAYMENT**

11.1 Prices and terms of payment are specified in the order undersigned by SMI.

11.2 Invoices shall be issued by the Supplier at the end of the month and forwarded to SMI by e-mail or in paper form at the address of SMI head office, unless otherwise agreed in writing by the Parties.

### **12. PRIVACY**

For the duration of the hereby agreement the Parties shall be compelled to treat the relevant information as strictly confidential and to the extent necessary to carry out the activities under this agreement.

### **13. WITHDRAWAL**

SMI reserves the right to freely withdraw from this agreement at any time with no obligation to provide reasons for it and upon notice to be sent to the Supplier by registered letter with return receipt. The withdrawal shall become effective thirty (30) days after the receipt of the notification.

### **14. PLACE OF JURISDICTION**

Any controversy arising from the supply relationships as per the hereby conditions or somehow related to them shall be submitted to the sole jurisdiction of the Court in Bergamo, with explicit and agreed exclusion of any alternative Court.

### **15. APPLIED LAW**

The hereby supply agreement, as well as the arrangements made under it, comply with the Italian law and, on a subsidiary basis, with the provisions specified in the United Nations Convention concerning international agreements for the supply of Goods, signed in Vienna on 11.04.1980, ratified with L. 11.12.1985 n. 765.

For acceptance:  
(Place)(Date)(Stamp)(Signature)

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