

General Conditions for Sale and Supply C 805 E

1 Definitions

In these General Conditions for Sale and Supply for export the following expressions shall have the meaning as herein after set out.

"The Conditions" means these General Conditions for Sale and Supply for export.

Snap-on Equipment means Snap-on Equipment s.r.l. a company with one shareholder only, with its registered office at Correggio Emilia, Italy via Provinciale per Carpi n. 33.

"The Customer" means any person, firm, corporation or legal assignee or successor of such person, firm or corporation.

"The Goods" means those items which are specified in Snap-on Equipment written confirmation of order.

"The Reserved Goods" means those items sold and delivered in which title has not yet passed to the Customer including any new products manufactured or constructed by using such items.

"The Contract" means the agreement between the Customer and Snap-on Equipment for Sale and Supply of the Goods to the Customer.

2 General

2.1 The Customer accepts that these conditions shall apply to all legal relations including transactions in future between itself and Snap-on Equipment s.r.l. (Snap-on Equipment), to the exclusion of any other terms, including any conditions, warranties or representations written or oral, expressed or implied, even if contained in any of the customer's documents (i.e. the Customer's Standard Conditions for Purchase). Such conditions, warranties or representations are hereby expressly rejected.

2.2 Any variation from these Conditions as well as verbal, telegraphic or telephonic statements made by representatives, employees or agents of Snap-on Equipment are always provisional and require in order to be binding Snap-on Equipment confirmation in writing which has to be signed by a person authorized to act for and on behalf of Snap-on Equipment. Any confirmation by telex, fax, e-mail shall be sufficient.

3 Scope of Delivery

3.1 The scope of delivery is determined by Snap-on Equipment written confirmation of order.

3.2 If not expressly declared to be binding technical data are only approximate data. Weights and measures are given within the allowed tolerances of technical rules or the tolerances for measures, form and weight. The same applies to all further data and information contained in any other document in particular illustrations, drawings, descriptions, catalogues which intend merely to give a general description of the Goods that Snap-on Equipment is able to supply and any person reading them may not rely on anything contained therein as being a representation of fact concerning the Goods sold and delivered by Snap-on Equipment or any warranty relating thereto whether as to their condition or otherwise.

Snap-on Equipment reserves the right to permanently modify the technical conditions of Snap-on Equipment products. Therefore, all data is subject to modifications. Any public statements or advertisements are not binding and do in no way constitute an agreement about the quality of the Goods nor a guarantee according to the quality of the Goods or according to the fitness of the Goods for a specific purpose or according to the long-lastingness of the goods.

In case the Customer attaches importance to specific data mentioned in such public statements or advertisements including but not limited to leaflets, catalogues, illustrations and drawings, the Customer shall verify the correctness of such data at the moment in time the contract is concluded. Furthermore, for the quality of the Goods or for their fitness for a specific purpose only Snap-on Equipment description of the product made in Snap-on equipment offer shall be binding between the parties.

3.3 Snap-on Equipment reserves title and copyrights and/or rights of author in any documents in respect of the Goods in particular drawings and estimates of costs. Such documents as aforesaid may only be used within the purpose under the Contract. The Customer is not allowed to disclose any such document as aforesaid to any third party without prior written consent of Snap-on Equipment. Upon Snap-on Equipment request any such document has to be returned to Snap-on Equipment.

3.4 If not otherwise agreed upon in writing safety devices shall only be within the scope of delivery if such safety devices are required according to the technical standards then valid.

3.5 Any building work including earth work, brick work and concrete work, the installation, the connection and the commissioning of the goods as well as the giving of operating instructions to the personnel are not within Snap-on Equipment scope of delivery.

3.6 Upon request of the Customer Snap-on Equipment shall provide trained installation personnel for the installation, the commissioning and the instruction. The costs heretofore are borne by the Customer.

3.7 The unloading of the Goods or parts thereof and the transport of such items from the place of unloading to the place of installation are within the responsibility of the Customer. The costs heretofore are borne by the Customer even if Snap-on Equipment is delivering freight prepaid.

3.8 The Customer is responsible for any safety precautions whatsoever imposed by the plant conditions. Snap-on Equipment liability in that respect is expressly excluded. The exclusion of liability as aforesaid shall not apply in such cases in which Snap-on Equipment shall provide the installation and starting-up according to 3 (6) of the Conditions but always provided that Snap-on Equipment shall only be liable for grossly negligent or wilful acts.

4 Prices and Terms of Payment

4.1 Subject to any specific agreement in writing, prices are ex works plus the statutory value-added tax in the amount as from time to time in force, if any.

4.2 Subject to any specific terms of payment the price must be paid in cash without any deduction and/or charges at Snap-on Equipment place of payment.

4.3 Subject to prior agreement payment may be made by an irrevocable confirmed letter of credit payable at a first-class Italian bank.

4.4 Snap-on is entitled to interest from the due dates. In such case, the amount of interest shall be fixed according to the applicable Italian Law without prejudice to any other right to da-

mage of Snap-on Equipment. Should the Customer fail to pay any sum due and payable after setting a reasonable written deadline, Snap-on Equipment is entitled to repudiate the Contract or to claim damages.

4.5 Any rights of retention of payment based on alleged remedies of the Customer against Snap-on Equipment or any other rights of the Customer against Snap-on Equipment which do not arise under the specific Contract (i.e. claims under another contract between the Customer and Snap-on Equipment) are expressly excluded. Any setoff with the Customer's claims against Snap-on Equipment claims is not allowed except insofar as such claims of the Customer are undisputed or subject of a final and conclusive judgement of a competent court.

4.6 Snap-on Equipment shall accept bills of exchange or cheques only upon prior written agreement but always provided that where payment is made by means of bill of exchange or cheque or any other negotiable or not negotiable instrument, Snap-on Equipment shall not be deemed to have received payment until the bill of exchange, cheque or other negotiable or not negotiable instrument has been honoured notwithstanding that Snap-on Equipment may have negotiated such instrument and received value therefore. Any costs of any kind respect of the negotiation of any instrument as aforesaid are borne by the Customer.

4.7 Snap-on Equipment is entitled to request the Customer at any time to provide adequate security for its claims against the Customer. Irrespective of the dates of maturity of bills of exchange, cheques or other negotiable or not negotiable instrument accepted by Snap-on Equipment, any claims of Snap-on Equipment against the Customer shall be immediately due and payable upon occurrence of any of the following events:

- a) in the Customer does not fulfil any of its obligations within time;
- b) if the Customer is in breach with any other contractual obligation;
- c) if any circumstances arise which justify bona fide doubts as to the solvency of the Customer and might jeopardise Snap-on Equipment right to the consideration agreed.

5 Packing

The standard packing (boxes on pallet) provided by Snap-on Equipment is included in the Price. Any special packing shall be requested in writing and paid for by the Customer.

6 Retention of Title

6.1 Notwithstanding any of the provisions of the Conditions Snap-on Equipment shall retain the title in the Goods until full payment of the price has been effected including additional claims such as interest and claims arising under any other Contract between Snap-on Equipment and the Customer, but always provided that where payment is made by means of bill of exchange, cheque or other negotiable or not negotiable instrument, Snap-on Equipment shall not be deemed to have received payment for the purpose of this provision until the bill of exchange, cheque or other negotiable or non-negotiable instrument has been honoured notwithstanding that Snap-on Equipment may have negotiated it and received value therefore. The Customer shall do any act required by law or otherwise to make Snap-on Equipment retention of title under this clause and the further clauses of 6. of the Conditions valid and effective. The title in the Goods as well as any other rights under clause 6. of the Conditions shall remain valid and effective until Snap-on Equipment is totally released from any contingent liability which Snap-on Equipment undertook in the interest of the Customer, in particular such liabilities as aforesaid resulting from the negotiation of negotiable instruments. The same shall apply if the Customer effects payments for claims that are particularly specified. In case of a current account between Snap-on Equipment and the Customer the reservation of title shall be deemed a collateral for the balance of account in Snap-on Equipment favour and if a balance is struck and confirmed by the Customer, this shall not affect the retention of title.

6.2 The Customer shall store the reserved goods separately and in such way that they can be readily identified as being Snap-on Equipment property as long as title in the Goods has not yet passed to the Customer under the Conditions. Furthermore, the Customer is under the obligation to keep the reserved Goods in proper working condition until final transfer of ownership. If any maintenance work or repairs are necessary, then the Customer shall retain Snap-on Equipment repair shop or any other repair shop acceptable to Snap-on Equipment. The last mentioned obligation shall not arise in cases of emergency.

6.3 The Customer may sell the Goods under reservation of title in the ordinary course of its business to a bona fide Customer for value without notice of Snap-on Equipment rights but the Customer shall then be under a fiduciary duty to account to Snap-on Equipment for the proceeds of such sale up to the total amount due from the Customer to Snap-on Equipment in respect of the Goods or any other contract where payment has not yet been effected. The Customer shall be obliged to deposit any such proceeds from the resale of the Reserved Goods up to the amount of the outstanding balance due to Snap-on Equipment in a separate account and to keep those proceeds apart from other monies.

6.4 The Customer's power to sell shall automatically cease at any time upon occurrence of any of the following events:

- a) If the Customer suffers any act of bankruptcy or compounds or makes any arrangement with its creditors or executes a bill of sale on its assets or any part thereof or if any execution or distress is levied upon the reserved Goods.
- b) If the Customer being a company, is wound upon either compulsorily or voluntarily or a receiver of its assets is appointed.

6.5 Should any execution or distress be levied upon the Reserved Goods, the Customer shall, without delay notify Snap-on Equipment thereof and deliver to Snap-on Equipment any documentation required in order to object against such execution or distress.

6.6 The Customer shall insure the Reserved Goods at its own expense against fire and theft. Upon Snap-on Equipment request, the Customer shall submit evidence of such insurance policies. If no such evidence can be furnished by the Customer, then Snap-on Equipment shall have the right to take out the aforementioned insurance policies at the Customer's expense. The Customer hereby assigns to Snap-on Equipment any claims against the insurer with regard to the Reserved Goods and Snap-on Equipment hereby accepts such assignment. The Customer undertakes to do any act required by law or otherwise to make the assignment as aforesaid valid and enforceable.

6.7 Notwithstanding any of the provisions under clause 6. of the Conditions, Snap-on Equipment may maintain an action for the price of the Goods, and the execution of any right whatsoever conferred to Snap-on Equipment by virtue of the Conditions shall be in Snap-on Equipment's sole discretion.

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7 Terms of Delivery

- 7.1 Snap-on Equipment quotation of delivery periods is without legal obligation.
- 7.2 In principal the delivery period commences upon dispatch of the confirmation of order.
- 7.3 Upon Snap-on Equipment notification that the Goods are ready for dispatch the Customer is under the immediate obligation to accept delivery of the Goods. Should delivery not be accepted Snap-on Equipment is allowed to store the Goods at the Customer's costs and risk of loss and to invoice the Goods as delivered.
- 7.4 Reservation is made that Snap-on Equipment is supplied in a punctual and correct way with the material required to fulfil its obligations to the Customer.
- 7.5 The delivery period shall be extended by an appropriate amount of time in the event of force majeure which shall include but not be limited to acts of God, war, riots, industrial disputes, strikes and lock-outs and unforeseen obstacles which are beyond Snap-on Equipment control, insofar as such obstacles can be shown to have exercised considerable influence on the completion or the delivery of the Goods. Snap-on Equipment shall not be liable as such events as aforesaid shall occur whilst delivery is already delayed. Snap-on Equipment shall notify the customer as soon as possible upon commencement and termination of obstacles as aforesaid.
- 7.6 Partial deliveries are allowed. Each partial delivery shall be invoiced separately.
- 7.7 If dispatch of the Goods is delayed upon request of the Customer or due to the Customer's non-acceptance of the delivery, Snap-on Equipment shall be allowed after the expiry of 30 days after notification of readiness of the Goods for dispatch to invoice the Customer in respect of the storage cost of the Goods. Should the Goods be stored in Snap-on Equipment works, the storage cost shall be at least 1/2% of the invoice amount for every calendar month. Snap-on Equipment rights to any further damage are reserved. Upon fruitless expiry of the reasonable period for acceptance of delivery of the Goods. Snap-on Equipment is allowed to dispose of the Goods. In such case Snap-on Equipment is entitled to deliver to the Customer within a reasonably extended delivery period.

8 Passing of risk and Acceptance of Delivery

- 8.1 The risk of loss and deterioration of the Goods shall pass to the Customer immediately upon dispatch the Goods to the Customer. The same applies if Snap-on Equipment has accepted additional obligations such as transportation costs, the transport, the installation or the assembly of the goods.
- 8.2 Should dispatch be delayed in consequence of circumstances for which the Customer is responsible, the risk of loss and deterioration of the Goods shall pass to the Customer at the date of notification of readiness of the Goods for dispatch by Snap-on Equipment to the Customer.
- 8.3 The Customer is under the obligation to accept delivery of the Goods irrespective of the Good's showing defect, without prejudice of the Customer's rights arising

9 Trading terms

The Incoterms 2000 version are applicable subject to the specific provisions of these Conditions or the Contract which shall prevail.

10 Delivery

The quotation of delivery is indicative. In case of delay clause 14 herein shall apply.

11 Notice of Defects

- 11.1 Written notice of apparent defects or any other complaint, including but not limited to failure to comply with any particular agreement or guarantee as to the fitness of the Goods for a specific purpose, failure as to the quantity of the Goods, must be given without delay at the latest 14 days from the receipt of the goods. Written notice of hidden defects must be given without delay at the latest 14 days from the discovery of such defects but not later than 12 months from the receipt of the Goods.
- 11.2 Should Snap-on Equipment not be notified of defects or any other complaints within the delays as set out in 11 (1) of the Conditions. Snap-on Equipment shall be discharged from all liability arising from defects of the Goods or any other complaints and any rights of the Customer of whatsoever nature are excluded.

12 Warranty for Defects

- 12.1 Should the Customer notify Snap-on Equipment in accordance with 11. of the Conditions of an existing defect of the Goods or of any other complaint as mentioned in 11 (1) of the Conditions, Snap-on Equipment liability shall according to Snap-on Equipment's choice be limited to either replace or repair such defective Goods, provided that the Customer shows that the defect or any other complaint was already existent at the point in time of the passing of the risk. In case the Customer notifies Snap-on Equipment of an existing defect of the instructions of installation of the Goods, Snap-on Equipment liability shall be limited to the providing of the instruction of installation without any defects, but only provided that the defect of the instruction of installation made it in fact impossible for the Customer to duly install the Goods. The warranty period shall run for 12 months from delivery of the goods and passing of risk, or 18 months from the date of the invoice, whichever date expires first. Snap-on Equipment shall not be liable for defects of used or second-hand goods.
- 12.2 The Customer is under the obligation after consultation of Snap-on Equipment to grant Snap-on Equipment the time required to repair or to replace the Goods and to do all necessary steps to allow Snap-on Equipment a repair of the goods or a replacement delivery.
- 12.3 Any goods or parts thereof which have been replaced by Snap-on Equipment in consequence of its liability for defects shall be returned to Snap-on Equipment at request, and Snap-on Equipment shall bear the costs for the re-transport of such goods or parts up to the lowest available transport rates.
- 12.4 Should Customer's notification of defects be unjustified, Snap-on Equipment will be entitled to claim for all costs that arise from such unjustified notice of defects.
- 12.5 Without limiting its liability for defects, Snap-on Equipment expressly excludes any liability arising in particular on the following grounds: irrelevant deviation from the agreed quality of the Goods and irrelevant reduction according to the usability as well as inappropriate or improper use of the goods, defective installation or starting-up by the Customer or third parties, usual wear and tear, improper or negligent handling in particular excessive work load, inap-

propriate working material, substitute working material, insufficient construction work, inappropriate building ground, chemical electrical influences as long these are not caused by a grossly negligent or wilful act of Snap-on Equipment.

- 12.6 Should the Customer transfer the goods to another place than the place where he has ordered the Goods and should the costs for repair or replacement delivery, including but not limited to costs for transport, work and material, therefore increase, the Customer shall only be entitled to claim for the costs that would also have arisen in case the goods still had been at the place to which they were delivered, unless the transfer of the goods corresponds with the normal use of such goods.

13 Warranty of Title Intellectual Property

- 13.1 Unless otherwise agreed Snap-on Equipment shall deliver the goods free from third parties rights or justified claims founded on industrial or other intellectual property (hereinafter referred to: intellectual property) in the country being the destination of Snap-on Equipment delivery. In case any third party shall assert a claim against the Customer founded on the violation of intellectual property by the goods, Snap-on Equipment shall be liable within 12 months after delivery as follows.
- 13.2 Snap-on Equipment liability shall according to Snap-on Equipment choice be limited either to provide a license concerning the intellectual property or to replace the goods or to change the goods insofar that they will no longer violate intellectual property delivered by Snap-on Equipment and that are used in correspondence with the contract. In case a similar item is not available Snap-on Equipment shall reimburse the Price, with the exclusion of any other direct or indirect damage.
- 13.3 Snap-on Equipment shall only be under the obligation to take measures as mentioned in 13.2 if the Customer has notified Snap-on Equipment immediately in writing about such third parties claims and if the Customer has not acknowledged such violation and always provided that Snap-on Equipment may decide about all measures that shall be taken to defend Snap-on Equipment and about all amicable settlements at Snap-on Equipment own discretion. Should the Customer stop the use of the delivered Goods in order to minimise the damage or for whatever important reason, the Customer is under the obligation to notify the third party that this shall not be deemed as an acknowledgement of a violation of intellectual property.
- 13.4 Any claim of the Customer for defects of title are excluded if and to the extent the Customer is liable for the violation of the intellectual property, including but not limited to the following cases; the Customer has caused the violation because of specific indications given to Snap-on Equipment or by a use of the Goods that was not agreed upon by the parties or by changing the delivered Goods or using them together with products that have not been delivered by Snap-on Equipment

14 Damages

- 14.1 Notwithstanding any other provisions in the Conditions all claims for damages of Customer, i.e. liability for defects, the liability for impossibility of performance and delay in delivery, any liability for damages arising from a breach of any obligation before or at the time of contracting, breach of other contractual obligations, tort, or any other consequential loss or damage of whatsoever nature and howsoever arising shall be excluded.
- 14.2 In case of a negligent breach of cardinal obligations, Snap-on Equipment liability shall be limited to the amount of the value of the order.
- 14.3 The exclusion of liability shall not apply with regard to claims arising under the Italian Product Liability Act.

15 Miscellaneous

Upon prior notice to the Customer, Snap-on Equipment shall have the right to inspect the Goods in the Customer's premises, to take notice of the operating results and to demonstrate the equipment to its prospective buyers should the Customer not prove that Snap-on Equipment right as aforesaid shall jeopardize the Customer's interest to business confidentiality or any other important interest.

16 Place of Performance/Jurisdiction

- 16.1 Place of performance for Snap-on equipment and the Customer is Correggio Emilia, Italy.
- 16.2 Exclusive jurisdiction and venue for any actual or future claims under business relationship (including claims under bills of exchange or cheques) is the Court (Tribunale) of Reggio Emilia, Italy without prejudice to the claimant's right to commence proceedings as the defendant's place of business.

17 Applicable law

These Conditions and any contract hereunder between Snap-on Equipment and the Customer shall be governed by and construed in accordance with the laws of the Republic of Italy including the United Nations Convention on contracts for the International sale of Goods (CISG).

18 Final provisions

- 18.1 The headings of the above provisions are for convenience only and have no importance for the interpretation of these Conditions.
- 18.2 Should any of these provisions be invalid or become invalid for whatsoever reason the remaining provisions shall be unaffected. In such case the statutory regulations shall be applicable in addition.
- 18.3 Where appropriate in these Conditions the singular shall include the plural and vice versa and where there are two or more persons, firms or companies comprised in the definition of the Customer then the obligations imposed on them shall be joint and several obligations.

According to article 1341 of the Italian Civil Code, the following provisions are expressly accepted:

- 1) art. 7-10 Terms of Delivery-Delivery
- 2) art. 11.2 Limitation of liability for defects
- 3) art. 12 Warranty for Defects
- 4) art. 13 – Warranty of Title Intellectual Property – Limitations
- 5) art. 14 Damages-Limitations
- 6) art. 16 Jurisdiction