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DUGOMRULLI GENERAL CONDITIONS OF SALE

(rev. 02 of 2/26/2016)

1. DEFINITIONS

11 For the purposes of these General Conditions, the following terms shall have the meanings defined below, whether they are used in the singular or the plural:

"Seller":	DUGOMRULLI s.p.a., with legal offices in Zola Predosa (Bologna), via Ippolito Nievo n. 8, Tax Number 00794310375, registered with the Business Registry at the Chamber of Commerce of Bologna, R.E.A. No. 180679, share capital € 108,000.00 fully paid, business specialising in the production and sale of rollers for conveyor belts and roller conveyors, as described in the relative catalogues and on the website www.dugomrulli.it ;
"Buyer":	the party that placed the Order, as defined below, with the Seller;
"Offer":	the offer made by the Seller containing the special terms and conditions of sale;
"Order":	the order submitted by the Buyer to the Seller;
"Order Confirmation"	confirmation of the Order sent by the Seller to the Buyer;
"General Conditions":	the General Conditions herein;
"Contract of Sale":	the Contract that takes effect between the Seller and the Buyer when the Buyer receives the Order Confirmation, as regulated by the Offer, by the Order Confirmation, and by these General Conditions and concerning the sale or supply of Products;
"Buyer's Specifications":	all information and, by way of example but not limited to, drawings, methods and instructions, that the Buyer provides for the Seller to customise the products according to his needs.
"Force majeure":	any event that cannot be avoided and/or stopped by the Seller that caused the failed and/or delayed and/or incorrect execution of the Contract of Sale including, but not limited to, acts of war and terrorism, riots, natural disasters such as floods, floods, landslides, strikes, lockouts, acts and measures implemented by the public authorities, etc.;
"Unforeseeable Circumstance":	any event that cannot be foreseen by the Seller that has caused the failed and/or delayed and/or incorrect execution of the Contract of Sale;
"Use":	the assembly, transportation, installation, use, maintenance, destruction and/or disposal of the Product by the Buyer;
"Safety Sheets and Data"	the collection of information and warnings concerning the safe Use of the Products, supplied by the Seller or available on the website www.dugomrulli.it
"Confidential Information":	any information including the documentation, data, drawings, trade-related information, know-how or similar, relating respectively to the Seller or his assistants, that are not in the public domain and do not belong to the state of the art and that the Buyer discovered during the negotiation, conclusion and execution of the Order, the Sales Contract and these General Conditions;
"Product"	the object of the Contract of Sale.

2. CONTRACT OF SALE.

2.1 The Contract of Sale is governed by the conditions set forth in the Offer, by any variations of the Offer agreed in writing between the Parties, by the Order Confirmation and by these General Conditions.

3. OFFER, ORDER AND ORDER CONFIRMATION.

3.1 OFFER. Unless withdrawn by the Seller, the Offer remains valid for 60 (sixty) days from the shipping date. The Offer does not represent a contract proposal and is not binding for the Seller.

3.2 ORDER. The Order represents a contract proposal. The Order remains irrevocable for 30 (thirty) days from the date of receipt by the Seller. When this period elapses without the Buyer receiving the Order Confirmation from the Seller, the Order may be revoked by the Buyer notifying the Seller by fax, certified e-mail or registered letter with acknowledgment of receipt. It remains the sole responsibility of the Buyer to ensure that the Product, also according to the technical specifications and characteristics set forth in the Offer, fulfils his needs and requirements. Accordingly the **Seller, even if it has suggested specific Products to the Buyer, is expressly exempted from any and all liability in the event that the Product indicated in the order cannot be used because it does not comply with the requirements and needs of the Buyer or third parties. In this case the Buyer will still be required to collect the goods and pay the agreed price.**

3.3 ORDER CONFIRMATION. The Order Confirmation represents acceptance of the contract proposal made by the Buyer with the Order. The Contract of Sale takes effect when the Buyer receives the Order Confirmation. When the Contract of Sale takes effect, with the exception of the cases expressly set forth in the General Conditions, the parties shall not be allowed to withdraw, under any circumstances, from the Contract of Sale. It is the Buyer's responsibility to verify that the Order Confirmation complies with the Order and to notify the Seller in writing, within and no later than 8 (eight) days from receipt, of any differences. When this period elapses without the Buyer notifying the Seller of any differences, the Order Confirmation is considered tacitly accepted by the Buyer, and the Seller will be expressly exempted from any and all responsibility for any non-conformity between the delivered product and the contents of the Order. In this case the Buyer will still be required to collect the goods and pay the agreed price.

4. EXECUTION OF THE CONTRACT OF SALE.

4.1 The Seller shall execute the Contract of Sale based on the specifications in the Order Confirmation and in these General Conditions.

4.2 PRODUCT CHARACTERISTICS. The technical specifications and the materials used to manufacture the Product, as indicated in the Offer and in the Order Confirmation, prevail and, when different, derogate from those shown in the catalogue, and in any case are merely provided as guidelines and may be replaced with other technical specifications and materials identified at the discretion of the Seller under the condition that they are equivalent.

4.3 BUYER'S SPECIFICATIONS. The Seller, at its sole discretion and without being held to any liability or charge, at any time, even after the conclusion of the Contract of Sale, can inform the Buyer that, for technical or safety reasons, it does not intend to Manufacture the Product according to the Buyer's Specifications. In this case the Buyer may withdraw from the Contract of Sale without any charge by sending a registered letter with receipt of acknowledgement or certified e-mail message within 8 (eight) days after receiving said notification from the Seller. If there is no notice of withdrawal, the Seller shall proceed to manufacture the product according to its technical specifications. For Products manufactured according to the Buyer's Specifications, even if the Buyer has availed of the Seller's recommendations, calculation data, technical data and instruments, the Buyer expressly exempts the Seller from any and all liability concerning the use of the Products manufactured to the Buyer's Specifications, also agreeing to indemnify the Seller from any and all third party claims resulting from the Use of said Products. All industrial property rights relative to inventions, models and/or drawings developed during Product design, adaptation, development and manufacturing activities, according to the Buyer's Specifications, will belong exclusively to the Seller.

4.4 TERMS OF PRODUCT DELIVERY. The terms of delivery indicated in the Order Confirmation are provided as a guideline and are not binding for the Seller and do not represent an essential term. The Seller shall not, in any case, be responsible for delays due to Force Majeure, Unforeseeable Circumstance, including third party or the Buyer itself, including the lack of instructions from the Buyer. The Product is considered ready for delivery when the Seller gives the Buyer written notice.

4.5 PRODUCT DELIVERY. Unless agreed otherwise in writing and stated in the Order Confirmation, Product delivery will be ex works at the Seller's premises (Incoterms 2010 – EXW). Therefore loading and transport of the Product and any other good delivered by the Seller to the Buyer under the Contract of Sale will be at the risk and peril of the Buyer. The Buyer is in charge of stipulating the contract of carriage and relative insurance. When the Seller, based on the Contract of Sale, is required to stipulate the contract of shipment or carriage and relative insurance contract, he does so in the name of and on behalf of the Buyer, acting only as his agent, while remaining fully exempted from any damage or loss that may be suffered by the Buyer in relation to it. The Buyer agrees to collect the Product no later than within 10 (ten) days from the date of receipt of notice from the Seller that the Product is ready for delivery. If this term elapses without the Buyer collecting the Product, he will be required, by penalty, to pay a sum of € 50.00 (fifty/00) for each calendar day of delay. If the place of delivery of the goods is abroad, the Buyer shall promptly provide the Seller with copies of the carrier's official transport document/s. Otherwise the Seller has the right to request them directly from the carrier.

4.6 CHANGES TO THE CONTRACT OF SALE. All changes to the Contract of Sale must be agreed in writing between the Parties.

4.7 BUYER COOPERATION. The Buyer agrees to cooperate and collaborate with the Seller so that the latter is able to execute the Contract of Sale optimally and duly send all information necessary for the successful execution of the Contract.

4.8 PRODUCT INSTALLATION. Unless agreed otherwise in writing, Product installation and commissioning are not considered part of the Contract of Sale.

5. WARRANTIES AND LIABILITY.

5.1 MANUFACTURING DEFECTS. The Seller only provides the Buyer with the guarantee of Product conformity with the characteristics and specifications set forth in the Order Confirmation and for defects in materials or workmanship, intended as inherent defects of the Product for, 1 (one) year starting from the date of Product delivery.

5.1.1 APPARENT MANUFACTURING DEFECTS. The Buyer is responsible for carefully examining the Products when they arrive at destination. Apparent conformity or manufacturing defects, namely defects that are recognisable by the Buyer upon reception of the Product through ordinary diligence, must be reported to the Seller, under penalty of forfeiture of the warranty, by registered letter with receipt of acknowledgement, or by certified e-mail or fax no later than 8 (days) after the arrival of the Product at destination. Through written request by the Seller, the Buyer promptly sends the Seller a significant sampling of the non-compliant products, for testing and analysis.

5.1.2 LATENT MANUFACTURING DEFECTS. Latent conformity or manufacturing defects, namely defects that are not recognisable by the Buyer upon reception of the Product through ordinary diligence, must be reported to the Seller, under penalty of forfeiture of the warranty, by registered letter with receipt of acknowledgement, or via fax no later than 8 (days) after the discovery.

5.1.3 CONTENTS OF THE WARRANTY. According to the warranty, the Seller shall be solely required, at its own discretion, to remove said defects, or to replace, where necessary, the defective products or refund the price of the products acknowledged as faulty. The replaced Products or parts must be returned by the Buyer to the Seller postage paid (Incoterms 2010 – DDP). The Products or parts supplied by the Seller in replacement of the defective ones will be delivered ex works (Incoterms 2010 – EXW) with only the transport costs borne by the Seller.

5.1.4 WARRANTY EXCLUSION. The manufacturing defects warranty does not apply if testing was conducted prior to Product delivery or if the Product was accepted by the Buyer at a later time.

5.2 WARRANTY EXPIRY The Buyer no longer has any rights to the warranty against manufacturing defects if he performs work, manipulates or replaces parts of the Products without the prior written permission of the Seller.

5.3 LIABILITY. With the express exception of cases of intent and gross negligence, the Seller can never be held liable for any damage suffered by the Buyer in connection to Product defects, including those deriving from their use, operation or resale. The Buyer will be responsible for proving that the Seller has acted with intent or gross negligence. The Seller shall not be held liable for damages caused by machine or system downtime due to Product conformity defects or faults.

5.4 PRODUCT COMPLIANCE WITH BUYER REQUIREMENTS. The Buyer is solely responsible for ensuring that the Product fulfils his needs and requirements, also according to the technical specifications and characteristics set forth in the Offer and dugomrulli general conditions of sale

in the Order Confirmation. The Seller, even if he has suggested specific Products to the Buyer, is expressly exempted from any and all liability in the event that the Product indicated in the order cannot be used by the Buyer or his assignees because it does not comply with the requirements and needs of the Buyer or third parties.

5.5 PRODUCT SAFETY SHEETS AND DATA. The Buyer is required to make the Safety Sheets and Data available, downloadable from the website www.dugomrulli.it to employees and third parties who have the credentials to interact with the Products covered by the Contract of Sale.

6. PAYMENT OF THE PRICE.

All payments of the sums required by the Contract of Sale must be made strictly within the deadlines stated on the invoices. The Buyer's rights to the term of payment of the subsequent instalments automatically lapse in case of non-payment of one of the instalments of the price agreed in the Contract of Sale, and, by effect, the Seller can demand immediate payment in full of the sum due.

7. CONFIDENTIALITY. INDUSTRIAL PROPERTY RIGHTS. BUYER HALLMARKS. INFORMATION NOTE IN ACCORDANCE WITH ART. 13 OF ITALIAN LGS. DECREE 196/2003.

7.1 DUTY OF CONFIDENTIALITY. For the duration of the Contract of Sale and even after its termination, the Seller and the Buyer mutually agree, for themselves and their respective assistants, to:

I. maintain strict discretion referring to any Confidential Information learned during the negotiations, the conclusion and subsequent execution of the Contract of Sale;

II. to preserve and keep, with the utmost diligence and discretion, the Confidential Information, and to return it to the other party within 30 (thirty) days from the written request.

The Seller is hereinafter authorised by the Buyer to submit Confidential Information concerning the Buyer to its collaborators or businesses entrusted with activities necessary for the execution of the Contract of Sale.

7.2 INDUSTRIAL PROPERTY RIGHTS.

7.2.1 The Seller retains ownership of industrial property rights used for the creation of the Product without time limit and regardless of any Buyer Specifications.

7.2.2 The Seller is the exclusive owner of the industrial property rights stemming from inventions, utility models, ornamental models and drawings produced and developed by him during the execution of the Contract of Sale. In this case the Seller grants the Buyer the necessary licensing and sub-licensing rights, free of charge, to enable use and marketing of the Product that said industrial property rights apply to.

7.2.3. The Contract of Sale does not give the Buyer any right of use or exploitation of the Seller's industrial property rights. In any case, the Buyer cannot use, in any way, any of the Seller's brands including Product trademarks or identifying logos without the Seller's express written consent.

8. SUSPENSION OF EXECUTION OF THE CONTRACT AND TITLE RETENTION AGREEMENT. EXPRESS TERMINATION CLAUSE AND RIGHT OF WITHDRAWAL.

8.1 SUSPENSION OF EXECUTION OF THE CONTRACT AND LIEN. TITLE RETENTION AGREEMENT.

8.1.1. SUSPENSION. Without prejudice to any other and further remedy provided by law or by the General Conditions herein, in case of delayed payment by the Buyer even of only one invoice issued by the Seller for payment of sums or reimbursements other than those arising from the Contract of Sale, the Seller has the right to immediately suspend the execution of the Contracts of Sale, without prejudice to the right to withdraw, with immediate effect. The Product delivery terms are accordingly considered delayed for an amount of time equal to the period of delay of payment of the sums and the Seller is accordingly exempted from any liability for damage caused to the Buyer due to said suspension and the consequent postponement of delivery.

8.1.2 LIEN. Without prejudice to any other and further remedy provided by law or by the General Conditions herein, the Seller can retain one or more purchased Products, and possibly already paid in full, by the Buyer until the balance of all sums owed by the Buyer are paid in full.

8.1.3 TITLE RETENTION AGREEMENT. In accordance with art. 1523 Italian Civ. Code et. seq. the Seller retains ownership of the Product until payment of the last instalment of the agreed sum. The Buyer will be responsible for the risks relating to loss of the Product as it was supposed to be delivered. If the termination of the Contract of Sale occurs due to Buyer non-fulfilment, the Seller will be entitled to retain or obtain payment of an amount equal to 70% (seventy percent) of the agreed price.

8.2 EXPRESS TERMINATION CLAUSE.

Pursuant to and for the purposes of art. 1456 Italian Civ. Code, the Seller may terminate any Contract of Sale by notifying the Buyer through registered letter with acknowledgement of receipt, fax or certified e-mail if any of the following provisions of these General Conditions are violated: 6, 7.1.

8.3 SELLER'S RIGHT TO WITHDRAWAL. The Seller has the right to withdraw from the Contract of Sale without being required to pay any penalty if the other party is involved in filing for bankruptcy, receivership, arrangement with creditors, dissolution, liquidation, debt renegotiation or, in general, any one of the aforementioned procedures or other insolvency proceedings. In this case the Buyer is nevertheless required to indemnify the Seller for incurred expenses, completed work and lost revenue.

8.4 If the contractual relations are terminated for any reason whatsoever, every obligation imposed by the law or by these General Conditions due to remain in force even after the end of the contractual relationship, including the above clause 7, remain fully applicable even after said relations cease.

9. CORRESPONDENCE.

9.1 All correspondence between the parties, to produce the effects provided for by law or the Contract of Sale, must be prepared in writing to the contact details provided in the Contract of Sale or provided in writing by one party to the other. Unless stated otherwise in the Contract of Sale, the Seller's contact details are as follows:

For the Seller:

DugomRulli s.p.a.

Via Ippolito Nievo, 8

40069 Zola Predosa – Bologna (Italy)

Fax n. +39.051.758989

Mail dugom@dugomrulli.it

10. JURISDICTION AND APPLICABLE LAW.

10.1 Any dispute arising between the parties in connection to the Contract of Sale, including its interpretation, execution and termination, is under the exclusive jurisdiction of the Courts of Bologna, through the exclusive application of Italian law, unless, where possible, said Courts apply reference regulations formulated in reference to foreign laws.

11. MISCELLANEOUS.

11.1 Any general conditions of purchase, accompanying the Order, published on the Buyer's website or otherwise disclosed, do not bear force and effect, unless accepted in writing by the Seller.

11.2 The parties mutually agree that the Contract of Sale refers to the supply of services subject to VAT and that therefore, pursuant to the Pr. Decree No. 131 of 1986, it only needs to be registered in case of use. The registration fees will be charged exclusively to the party who, through their conduct, makes Contract registration necessary. Apart from the aforementioned circumstance, whereby, for whatever reason the Contract of Sale requires registration, the relative fees will be divided equally between both parties.

11.3 Buyer and Seller are strictly forbidden from transferring the Contract of Sale to third parties, without prejudice to the Seller's right to outsource Production.

11.4 The delay or failure to exercise any of the rights or remedies set forth in the Contract of Sale by the Buyer or Seller can never be interpreted, unless there are specific time limits, such as tacit relinquishment or acquiescence to said rights or remedies.

11.5 These Conditions replace any other Condition previously published or distributed by the Seller.