

GENERAL TERMS OF SALE

(2018 edition)

1. EFFECTIVENESS OF GENERAL TERMS OF SALE

These general terms of sale (in short, "GTS") of MENZOLIT S.r.l. (in short, "Seller") form an integral part of every purchase order and apply, in any case, to any sale or supply made by the Seller to the Customer, concerning the Seller's products (hereafter, the "Products"). The Seller does not accept additional or different terms to those provided in these GTS, even if contained in the Customer's order forms. These GTS of the Seller prevail over any different condition, and apply to every sale of Products by the Seller to the Customer. These GTS do not involve any obligation or duty of supply for the Seller and they do not involve any right of exclusivity in favour of the Customer. Any derogations or modifications of these GTS are valid and effective only if approved in writing by the Seller.

2. CONCLUSION OF CONTRACT

The Customer's order constitutes an irrevocable offer, in accordance with and for the effects of Art. 1329 of the Italian Civil Code, which is valid and irrevocable for 3 (three) working days from receipt of the order by the Seller. The contract is considered to be concluded only following: a) written confirmation of the order sent by the Seller to the Customer within the validity period of the offer indicated above, or b) following the start of the execution by the Seller, in accordance with Art. 1327 of the Italian Civil Code ("start of the execution" is also considered to be the procurement of the Products or raw materials for production, even if originating from other Group companies, the start of production of the ordered Products, or the delivery of the Products to the Customer by the methods indicated in Art. 4) below, depending on the event, among those indicated, that occurs first, without the need for notification of the start of that execution.

3. PERMITTED TOLERANCES

All orders or requests of the Customer are considered to be subject to the Seller's approval, also in relation to the availability of the Products. The Parties agree that even after the order or supply request by the Customer has been accepted, the following tolerances will be permitted, as to the ratios between delivered and ordered products: above 10 tonnes of ordered products, a tolerance of +/- 5%; from 5 to 10 tonnes, a tolerance of +/- 10%; from 2.5 to 5 tonnes, a tolerance of +/- 300 kg. Within the limits of the indicated tolerances, the Customer may not make any claim against the Seller in relation to the delivered quantities, although the Customer must only pay for the Products delivered. The net weight indicated in the invoice is understood, for technical/operational reasons, to have a tolerance of +/- 5 kg.

4. DELIVERY OF PRODUCTS

The delivery dates, even if accepted by the Seller, are purely indicative (depending, inter alia, on the availability of the Product), and do not entitle the Customer to modify or cancel the order, and they may not form the basis of any claim by the Customer against the Seller, even for compensation (for alleged direct or indirect damages or production shutdowns or for another reason). The Customer undertakes to accept and pay for all the ordered Products, delivered by the Seller. This is subject to the Customer's right to cancel the order in the event of a delay in delivering the ordered Products exceeding 7 (seven) days, provided that the delivery delay is attributable to the Seller and is not the result of force majeure (as defined in Art. 15, below), in which case this provision will not apply.

The Seller may suspend the delivery of the Products to the Customer in the case of unpaid bills or payment delays, by the Customer, even if the delivery relates to relationships, supplies, Products or contracts other than those for which the non-payment or delayed payment has occurred, until the payment obligations have been fulfilled by the Customer. In the indicated cases, the Seller may terminate any contract (even if relating to supplies and/or Products different from those in relation to which the Customer's breach occurred) in the event of a delay in payments of any amount due from the Customer to the Supplier, when the payment delay exceeds 30 (thirty) days from the agreed term. In that circumstance, the performances executed until the time of termination (performances executed are considered to be, on the side of the Seller, deliveries of goods made, with the exclusion of the obligation of goods deliveries not yet completed, even if the respective order was made prior to the termination) remain valid, with the Customer being obliged immediately to pay any sum that may be due, at the termination date, in relation to the delivered Products, or, alternatively, with the Seller's right - subject to its written communication (including by e-mail) - to the return, in whole or in part, of the delivered Products for which it has to received full payment. The termination of the contract is subject to the Seller's right to retain any advances paid in relation to the goods not delivered in relation to the supplies/contracts for which the termination occurs, by way of penalty, and, in any case, subject to greater damages. Similarly, the Seller may suspend the supplies in the presence of facts or circumstances that may infer that the Customer has lost the financial capacity to fulfil its obligations, such as, for example, in the case of protests, foreclosures or injunctions brought against the latter or liquidation, even voluntary, or in the case of declaration of bankruptcy of the Customer or subjection of the same to other insolvency proceedings or other procedures regulated by the bankruptcy rules or concerning restructuring and/or borrowing. In any case the provisions of Art. 1460 of the Italian Civil Code will apply, without prejudice to the provisions of Art. 11 below. Any failure to provide the guarantees promised or any reduction of the guarantees given by the Customer to the Seller or reduction or revocation - by credit assurance companies/entities - of the amount of the guaranteed credit claimed by the Seller from the Customer in relation to the Products supplied/being supplied will determine the application of the acceleration clause in accordance with Art. 1186 of the Italian Civil Code, without prejudice to the Seller's right to subject any supplies to the provision of new guarantees or to the modification of the existing conditions.

5. PRICES - PAYMENTS

All prices indicated by the Seller in its price lists and documents are understood to be made in Euro, and without VAT (which must, therefore, be added to the indicated prices), unless otherwise expressly indicated. Subject to the foregoing, payments must in any case be made in the currency indicated on the invoice issued by the Seller to the Customer. Anything not expressly indicated in the Seller's order confirmation (where issued) or, in any case, in the respective invoice(s) of the goods supplied by the Seller is understood to be excluded from the supply and the respective price, and must be paid for separately based upon the Seller's price lists in force at the time of the order.

6. RETENTION OF TITLE – SOLVE ET REPETE

The sale of the Products to the Customer is understood to be made with retention of title. It follows that the Products remain the Seller's property until the respective price has been paid in full by the Customer. Until the Customer has paid the full price it may not sell to third parties the purchased products, except with the Seller's prior written authorisation.

Menzolit S.r.l.

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The Customer may not suspend, refuse, delay or reduce any payment, in relationships with the Seller, even by raising objections or proposing actions of any nature. It must, on the other hand, make the full payment before raising or promoting any dispute, objection or action, under penalty of inadmissibility of the same. Payments for the Products must be made within the term of 30 (thirty) days, subject to a different written agreement between the Parties. The Seller may vary its price lists at any time. The Seller's price lists in force at the time the order is accepted by the Seller will apply.

7. ACCEPTANCE OF PRODUCTS

Any disputes in relation to any missing quantities of Products with respect to those indicated on the transportation document must be specifically noted on the document returned to the instructed carrier and in any case must be notified to the Seller, by the Customer, by way of recorded delivery letter with notice of receipt or by certified e-mail, within three working days from the date of receipt of the Products in question, by the Customer, as recorded by the respective transportation document. Failing that, the delivered Products will be understood to be accepted on a final basis and compliant, also as regards the respective quantities, with what is indicated in the respective contractual documents and the transportation document relating thereto, with the consequence that any quantitative differences of the Products, with respect to what is indicated in the transportation documents, may not be invoked thereafter by the Customer.

8. PRODUCT QUALITY

With reference to the sold Products, only the conformity of the same with the technical specifications of those Products prepared by the Seller (or by the Manufacturer, if different from the Seller) is guaranteed; therefore, the guarantee concerns only defects or deformities of production that involve the non-compliance of the Products with the characteristics indicated in the Product technical specifications prepared by the Seller (or the Manufacturer), in force at the time of accepting the order. Any defects or deformities of the quantity delivered must be reported by the Customer, to the Seller, by way of recorded delivery letter with notice of receipt or by certified e-mail within 3 (three) days from the delivery of the Products. In the case of any hidden defects or deformities, the report to the Seller must be made within 3 (three) days from their discovery and in any case by the expiry date of the Products, by the same methods provided above. In any case, the Customer, when disputing alleged defects or deformities, must indicate the references of the batch to which the disputed Products belong and must also comply with the Seller's instructions (including where the Seller requests any suspension of use of the batch in question). Any guarantee relating to the Products ceases at the expiry date of the material. Any initiative in that regard (including any return to the Seller) is subject to verification of the Products in question by the Seller. If the Seller ascertains any existence of the complained defects and/or deformities, it may, at its discretion: i) replace the defective Products (subject to the same being returned to the Seller by the Customer) or ii) reduce the price of the same in relation to the nature and extent of the ascertained defects. The Customer will have nothing further to claim, waiving any termination of the contract and/or any compensation or indemnity.

9. EXCLUSION OF GUARANTEE

The guarantee is excluded in the case of incorrect use of the Products, including circumstances of use not compliant with the Product technical specifications or the indications identified on the label or packaging of the Products, and in general the instructions imparted by the Seller (or by the Manufacturer, if different). This includes, for example, use of the same outside the maximum time range indicated on the label, along with incorrect storage (also as regards the packaging of the Products which must be exclusively the original packaging), or, any use of the same in physical and/or chemical conditions that are not ideal, with respect to what is stated in the technical documentation of the Seller (or the Manufacturer, if different). In those circumstances, the guarantee provided by Art. 8 above does not operate.

10. CONFORMITY TO EU AND NATIONAL REGULATIONS

The Seller guarantees only the conformity of the Products to EU regulations and Italian legislation, excluding any regulation other than those indicated.

11. TERMINATION CLAUSE

Without prejudice to the provisions of Art. 4 above, the Seller may cancel any order and resolve any contract with the Customer, with immediate effect and fully in accordance with the law, if one of the following circumstances occurs: a) bankruptcy of the Customer or subjection of the same to arrangement with creditors or another insolvency proceeding; b) the Customer is placed into liquidation (even voluntary); c) change of control of the Customer or transfer of over 50% of the voting rights.

12. PROHIBITIONS ON ASSIGNMENT

It is expressly prohibited for the Customer to assign to third parties, in whole or in part, these GTS and/or any order and/or each and any contract with the Seller relating to the Products and/or the rights and obligations deriving from those relationships or contracts, without the prior written authorisation of the Seller, which remains free to deny it. The prohibition concerns any event or circumstance that involves the transfer of the GTS and/or any contract governed by these GTS to an entity other than the Customer (therein including circumstances of merger, demerger, contribution, sale, rental of company or business branch and any other analogous event or circumstance that produces those effects).

13. APPLICABLE LAW

These GTS and every order, contract and relationship between the Seller and the Customer will be regulated by Italian Law, as the only applicable law. The application of the United Nations Convention on the International Sale of Goods (CISG) is in any case excluded.

14. EXCLUSIVE COURT

For any dispute between the Parties in any case related or connected to these GTS and/or to the sale or supply of the Products to the Customer, under any profile, the Court of Milan will have exclusive jurisdiction.

Without prejudice to the foregoing, this is, however, subject to the right, reserved only to the Seller, to summons the Customer, alternatively, before the Court in the location in which the Customer's headquarters are located.

15. FORCE MAJEURE

Any delays or lack of fulfilments of the obligations provided by these GTS and/or by the contracts entered into between the Seller and the Customer may not give rise to the consequences provided for breach, when they result from unforeseen circumstances or force majeure, thereby meaning events beyond the reasonable control of the Parties and not attributable to them including, without limitations, cases of total or partial block on production or systems, faults, blocks or reduction of electricity, shortages or lack of raw materials or in any case difficulties in the respective procurement and/or delays in the respective supply, abnormal increases of production costs and/or raw materials, thereby meaning those increases equal to or greater than 30 %], embargoes, limitations, blocks on import or export, interruptions of commercial relationships between countries, rules, orders or measures of the national, community or international authorities, difficulties in the circulation of products or raw materials, strikes, even within the company, local, national or international blocks on circulation, wars, riots, coups, insurrections, calamities, fires, earthquakes, floods,

and any other cause constituting unforeseen circumstances or force majeure. If one of the circumstances cited above occurs, the Parties will agree in good faith the suitable measures to address the problems that have emerged, in their mutual interests. The Customer undertakes to accept any performances, even partial, or delays by the Seller, waiving any complaint, dispute or claim in that regard. If one of the aforementioned situations continues for over 90 (ninety) days, the Seller may terminate and/or cancel the contract(s) and/or the orders in place at the time of the occurrence of one of the events indicated above, merely refunding any advances paid by the Customer, in relation to the terminated contract(s), providing no compensation or indemnity and without further consequences for the Seller. It is not permitted to invoke a circumstance of unforeseen circumstances or force majeure in relation to cases in which pecuniary obligations come to light.

16. INDUSTRIAL PROPERTY RIGHTS - CONFIDENTIALITY

The Seller is, and remains, the sole and exclusive owner of all rights over the trademarks, distinctive signs, trade names and, in general, all industrial and/or intellectual property rights relating to the Products of the Seller and/or in any case used as part of the activity performed by the latter.

It is expressly prohibited for the Customer to use in any way or form the trademarks, distinctive signs, trade names, know-how and in general the industrial and/or intellectual property rights of the Seller, without the prior written authorisation of the latter.

If the Customer becomes aware of any violations of intellectual and/or industrial property rights and/or know how of the Seller and/or acts of unfair competition in detriment to the latter, it must give immediate written communication thereof to the Seller, undertaking to provide to the Seller all assistance or collaboration that may be requested, also for the purpose of pursuing those responsible in the competent venues.

The Customer undertakes to treat as strictly confidential and private any information or news provided by the Seller or in any case relating to the latter or its Products, including the material (including the technical specifications relating to the Products), undertaking not to disclose them to any third party.

17. GENERAL PROVISIONS

17.1 Any derogation and/or modification and/or supplementation of these GTS must be recorded by written deed signed by the Seller, under penalty of invalidity.

17.2 If one or more of the provisions of these GTS is declared invalid or ineffective, the other provisions of the GTS remain valid and effective.

17.3 If these GTS are translated into other languages in addition to the version in Italian, the text in Italian will prevail in any venue.

17.4 These GTS replace any previous version of the general terms of sale commencing from the date of 1 July 2017.