

GENERAL TERMS OF SALE

The present provisions ("General Terms") provide the general terms and conditions regulating any sale to be made by Italcote S.r.l., with registered office in Via Cannola al Trivio 28, 80141 Naples - Italy, Fiscal Code, VAT number and registration no. within the Companies' Register of Naples 06238000639 (the "Seller"), further to a Supply Agreement (the "Supply Agreement" and, together with the General Terms, the "Contract") accepted by a buyer (the "Buyer") by purchase order in any form transmitted ("Purchase Order"). Both the Seller and the Buyer also individually defined as a "Party" and, collectively, as the "Parties".

1. SCOPE

1.1 The Seller agrees to sell, and the Buyer agrees to purchase, the materials indicated in the Supply Agreement (the "Materials").

1.2 Any amendments to these General Terms may only be provided by the Seller in the Supply Agreement.

2. TITLE, RETENTION OF TITLE, RISK

2.1 The Seller retains title to the Materials delivered pending full performance of all claims to which Seller is entitled on the basis of the business relationship now and in future.

2.2 Insofar as maintenance and inspection work is required to the Materials to which Seller has retained title, the Buyer must conduct such work punctually at its own expense.

2.3 The Buyer is entitled to process the Materials or connect them with other products within the due course of its business. By way of security for Seller's claims set forth in clause 2.1, Seller shall acquire joint ownership in the Materials created as a result of such processing or connection. The Buyer transfers such joint ownership to Seller since now. As an ancillary contractual obligation the Buyer shall store free of charge the (semi) finished goods to which Seller has retained title. The amount of Seller's joint ownership share shall be determined by the ratio between the value of the Material (calculated in accordance with the final invoice amount including VAT) and the value of the (semi) finished good created by processing or connection at the time of such processing or connection.

2.4 The Buyer shall be entitled to sell the goods in the normal course of business against cash payment or subject to retention of title. The Buyer assigns to Seller since now all claims together with all ancillary rights to which the Buyer is entitled from the further sale of Seller's Materials. The assigned claims act as security for claims set forth in clause 2.1. The rights of the Buyer as set forth in this clause 2.4 will be revoked if the Buyer fails to perform its payment obligations with respect to the Seller, if files for insolvency proceedings or similar proceedings or if the Buyer's asset position should deteriorate materially or threaten to deteriorate or if the Buyer is insolvent or overindebted.

2.5 At Seller's request, the Buyer shall advise Seller immediately in writing of the portion of the goods (to which Seller has retained title or joint title) that have been sold and of the claims to which the Buyer is entitled on the basis of such sale and shall issue to Seller deeds authenticated at the Buyer's expense relating to the assignment of such claims.

2.6 The Buyer is not entitled to effect any other disposals of the goods to which seller has retained title or joint title of the claims already assigned to Seller. The Buyer must notify Seller immediately of any distraint or other impairments relating to the rights of goods or claims belonging to Seller either in whole or in part. The Buyer shall bear the entire costs which have to be expended in order to cancel any distraint of Seller's retained property or security by third parties and to re-create the goods insofar as it is impossible to retrieve it from the third parties.

2.7. The risk shall pass to the Buyer upon delivery of the Materials to the shipper.

3. CLAIMS

3.1 The materials will be delivered to the Buyer together with a note recommending the correct way of maintenance. No claim can be notified to the Seller in case the conditions summarized in the above mentioned note are not accomplished by the Buyer. Nevertheless any eventual claim must be drawn up in accordance with the provisions included in the "Customers Practical Advices".

3.2 Quality claims and/or weight discrepancies, if any, shall be notified in writing by mail or fax to the Seller, in accordance with the terms provided under Article 9 of the present General Terms, within 5 (five) business days from the moment in which the Buyer has become aware of the damage or discrepancy.

3.3 In case of manifest and/or evident damage (i.e. packing or box damaged) and/or weight discrepancies, the Buyer shall notify the Seller in writing and specify the claim on the delivery note received at the moment of the delivery ("Delivery Note"), that shall also be countersigned by the shipper performing the delivery of the material. In case of weight discrepancies, the notice by the Buyer shall include full details of weight protocols, also highlighting how the calibration of the weighting facility used was ensured. The Seller will have the right to request reweighting of material in the presence of his nominated representative.

3.4 If a quality claim has been lodged by the Buyer within the timeframe set out above, the Seller will have the right to request inspection, sampling and assaying of the material in question.

3.5 In any case, any claim shall be delivered in writing to the Seller pursuant to the above provisions within 30 (thirty) days from the delivery date of the Materials, as resulting from the Delivery Note. Should such deadline not be met by the Buyer, the latter shall not have any further right to claim anything from the Seller.

In case of a Consignment Stock Contract stipulated between the Buyer and the Seller, any claim must be delivered to the Seller within 8 days from the date in which the Buyer became aware of the damage and anyway within 60 days from the date of the invoice of the material withdrawn from the Consignment Stock and object of the claim.

3.6 The Seller may, at its discretion, decide to (i) substitute the non-conforming or damaged Materials with new Materials or (ii) reimburse or cancel, respectively, any amounts paid or owed by the Buyer in relation to the faulty or damaged Materials. The Seller may refuse to accept any Materials that are returned without prior written consent even if such Materials are not damaged and include all legally required documents.

3.7 Any Materials for which the Buyer intends to lodge a claim must be kept intact, unused and stored under cover until such time as the inspection mentioned above has been completed. The Seller shall have the right to reject any claims for Materials delivered under this Contract which have already been consumed/used by the Buyer or any third party. If the Seller chooses to substitute the non-conforming or damaged Materials with new Materials, the former shall – as may be applicable – remain or become property of the Seller.

3.8 In case of a claim the Buyer will not have the right to suspend any payment due to the Seller.

3.9 Further to the performance of Seller's obligations under Article 3.5 above, the claim shall be closed and Buyer may not claim anything from the Seller in that respect.

4. FORCE MAJEURE

4.1 Neither Party to the Contract shall be liable for any delay in performing or failure to perform its obligations (except for delay or failure to pay money when due) due to events of Force Majeure

including but not limited to acts of God; war, blockade, revolution, rebellion, civil unrest; strike, lockout; explosion, fire, flood, storm, earthquake; acts, regulations, laws or orders of any Government or Public Body which are not the consequence of actions or omissions by the Seller and/or the Buyer, including but not limited to ban on export or import of goods; and any other cause or causes beyond reasonable control of the Seller and/or Seller's supplier and/or the Buyer whether or not similar to the causes enumerated above. Failure to deliver or to accept delivery in whole or in part because of the occurrence of an event of Force Majeure shall not constitute a default hereunder or subject either Party to liability for any resulting loss or damage.

4.2 Both Parties agree to use their respective reasonable efforts to cure any event of Force Majeure to the extent that it is reasonably possible to do so.

4.3 Any event of Force Majeure will extend to any relevant term of this Contract for the duration of the event of Force Majeure, while the amount of the Material to be delivered under the Contract shall not be modified.

5. PAYMENT

5.1 Payment shall be performed within 30 days from the delivery of the products or within the terms indicated on the Contract.

5.2 Payment shall be effected free of any set-off, counterclaim or deduction.

5.3 The Seller may charge the Buyer late payment interests on any unpaid amount of the consideration set out in the Purchase Order from the due date until the date of receipt of payment, calculated according to the rate provide for pursuant to Italian Legislative Decree no. 231/2002.

6. NON-ASSIGNMENT

6.1 Neither Party shall assign the Contract or any rights or delegate any duties under the Contract, in whole or in part - other than to an entity controlled by or controlling the Party or under common control with the Party without the prior written consent of the other Party which consent shall not be unreasonably withheld.

6.2 The Seller will have, in any case, the right to grant at any time security over or assign all or any of its rights arising under this Contract to a financial institution.

7. MATERIAL ADVERSE CHANGE CLAUSE

7.1 If the Buyer fails to make any payment to the Seller when due under the Contract, or in the event of circumstances which, in the reasonable judgement of the Seller, may have a material adverse effect on the creditworthiness of the Buyer and/or the Buyer's ability to perform its obligations in general or simply under this Contract, the Seller may at its sole option, upon written notice to the Buyer, (a) terminate the Contract, or (b) suspend or defer performance of the Contract or any other Contract with the Buyer; and the Buyer shall become liable for any and all costs, liabilities and expenses whatsoever incurred by the Seller due to the Seller exercising its right hereunder. Any exercise by the Seller of its rights under this clause shall be without prejudice to any other rights or remedies available to the Seller under this Contract or otherwise.

8. CONFIDENTIALITY

8.1 The terms and conditions of the Contract are confidential. Each Party and its employees, consultants and contractors shall not disclose to any third party such information and any copies of this Contract and all documents and other forms of communications required to be provided under, or in connection with, the Contract except:

(i) when mutually agreed in writing between the Parties;

(ii) when necessary to share such information with the Party's attorneys, accountants, other professional advisors, prospective lenders, transferees, assignees or succeeding entities to such a Party;

(iii) whenever required by an order of any governmental or judicial authority or necessary to either the Party to legally enforce its rights in Court or any other judicial/administrative proceeding.

9. NOTICES

9.1 Any notice given by either of the Parties hereto to the other Party under the Contract shall be in writing and shall be sent by registered mail or courier or fax or e-mail to the person(s) and to the address specified in the Purchase Order for the Buyer and in the Offer for the Seller.

9.2 Any such notices shall be effective (a) in the case of registered mail or courier, at the time of first service (pursuant to the delivery receipt), or (b) in the case of fax or e-mail, at the time of transmission or on the following business day if time of transmission has been outside normal business hours at the place of receipt.

10. GOVERNING LAW

10.1 The Contract, including the arbitration clause set forth by Article 11 below, and the Purchase Order shall be governed by, interpreted and construed in accordance with the laws of the Republic of Italy.

11. JURISDICTION

11.1 Any dispute, controversy or claim arising out of or relating to the Contract, or the breach, termination or invalidity thereof, shall be exclusively, definitely and finally settled by the jurisdiction of the courts of Naples

12. MISCELLANEA

12.1 The Contract and the Purchase Order does not constitute the Seller or the Buyer the agent or legal representative of the other Party for any purpose whatsoever and does not grant the Seller, nor the Buyer any express or implied right or authority to assume or to create any obligation or responsibility on behalf of or in the name of the other Party in any manner whatsoever.

12.2 Any amendment to the Contract or the Purchase Order shall be made in writing.

12.3 Failure by either Party to exercise any of its rights provided under the Contract shall not constitute a waiver of such rights.

12.4 The invalidity of any provision of the Contract shall not impair the validity of any other provision of the Contract. The Parties hereby agree to make their best effort to amend any provision of the Contract which might otherwise be invalid or contravene any applicable law to the extent necessary to remove the cause of such invalidity.

12.5 The Buyer declares having examined and understood the principles, the ethic and social values and the rules of behaviour described in the Code of Ethics and in the General part of the Organizational Model pursuant to Legislative Decree no. 231/2001, approved and implemented by the Seller and available on the company's website. The possible non-compliance of the Buyer, in the fulfilment of the obligations deriving from the present agreement, of any of the provisions contained in the above-mentioned documents will amount to a serious non-fulfilment and will represent a reason of dissolution of the agreement, pursuant to and in accordance with the article 1456 of Italian Civil Code, it being understood the reimbursement of the damages in case caused to the Seller such as, for example, the sanctions inflicted to the Seller prescribed by the above-mentioned Legislative Decree.