GENERAL TERMS OF SALE

The present provisions (“General Terms”) provide the general terms and conditions regulating any sale to be made by Italcoat S.r.l., with registered office in Via Cannola al Trivio 28, 80141 Naples - Italy, Italy, a joint stock company with share capital of € 1,002,000.00, with which are not listed on or 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 ("Transmission") to the Seller. Both the Seller and the乙方 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”).
1.3 Any amendments to these General Terms may only be provided by the Seller in the Supply Agreement.

2. TITLE, TENTION 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 respective produced products or works. Therefore the Buyer shall transfer such joint ownership to the 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 Seller shall claim as acts for security as 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 fraud or intent to injure or in any similar parallel 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 (the “Goods”) which the Buyer has retained title or joint title of which 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乙方’s expense relating to the assignment of such claims.
2.6 The Buyer is not entitled to effect any other dispositions 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 disclaim of 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 distrant 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 Advice”.
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 (e.g. packing or box damaged) and/or weight discrepancies, the Buyer shall notify the Seller in writing and specify on the claim the 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乙方’s premises or 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 Any claim, as referred above, should be notified 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 against the Seller.
3.6 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 or discrepancy in the material delivered. Therefore, in the case of a Consignment Stock and object of the claim.
3.8 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.
3.9 Any Materials for which the Buyer intends to lodge a claim must be kept intact, unused and stored undamaged in the same conditions as when delivered for a period of such invalidity as set forth in the notice of such invalidity. The Buyer 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 The Buyer’s obligations to write in the Seller pursuant to the provisions set forth in 3.5 above, the claim shall be closed and Buyer may not claim anything from the Seller in that respect.

3.5 PAYMENT
3.1 Payment shall be performed within 30 days from the delivery of the products or within the terms indicated on the Contract.
3.2 Payment shall be effected free of any set-off, counterclaim or deduction.
3.3 The Seller may charge the Buyer late payment interests on any unpaid amount of the consideration set out in the Purchase Order from the date due until the date of receipt of payment, calculated with interest rate of 10% on the following business day if time of transmission ("Transmission") of the payment does not 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 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.

8. CONFLICTINGILITY
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, assigns 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 e-mail 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 transmission ("Transmission") of the notice or the moment of delivery of the goods, and (b) in the case of 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, definitively 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 contravenes any applicable law to the extent necessary to give such amendment due effect.

12.5 The Buyer declares having examined and understood the principles, the ethical and social values and the rules of behaviour described in the Code of Ethics and in the General part of the General 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-performance and will result in 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.

Italcoat S.r.l.
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