

General sales conditions

1. DEFINITIONS

In these general sales conditions, the following terms mean:

Italbras: the company Italbras S.p.A., with registered offices in Strada del Balsego 6, 36100 Vicenza;

Client: any partnership, limited company, institution or other legal entity that acquires the Products;

Conditions: these general sales conditions;

Order: each Product purchase proposal sent by the Client to Italbras;

Products: the goods produced and/or assembled and/or sold by Italbras;

Parties: Italbras and the Client, jointly.

2. AREA OF APPLICATION

These Conditions apply to all Product sales contracts concluded between Italbras and the Client following receipt by the Client of the Order confirmation and/or execution of the Order by Italbras pursuant to the stipulations of these Conditions.

The Product sales contracts shall not be subject, even partially, to the general conditions of the Client or other terms and conditions (even when they are contained, or if reference is made to them, in the Order or in any other document sent by the Client to Italbras) that are not expressly approved in writing by the legal representative of Italbras on its headed paper and with the express indication of any terms and/or conditions of these Conditions that are to be waived.

Italbras reserves the right to modify and/or integrate these Conditions, either entirely or in part, at any moment. In this case, the modifications and/or integrations will apply to all the Orders and relating sales contracts starting from the 30th day after receipt by the Client of the Conditions as modified and/or integrated by Italbras.

3. SUBJECT OF THE SALE - PRICE

The sale only includes the Products and the relating quantities specified in the Order, in the Order confirmation or in other written communications between the Parties.

The content of the Order confirmation or of any other written communication sent, after dispatching the Order, by Italbras to the Client and accepted by the Client under these Conditions, will prevail in cases of discrepancy with the provisions of the Order.

The Product sales price will be indicated in the Order and, unless otherwise agreed between the Parties, shall be gross of packaging, insurance, transport and VAT. The quantities, weights or number of items accepted at the Italbras factory shall be considered for invoicing purposes.

4. ORDERS - CONCLUSION OF THE CONTRACT

The Order sent by the Client to Italbras must indicate the Product description, the requested quantity, the price and the delivery date.

The sales contract will be considered concluded:

- a. when the Client receives written confirmation of the Order by Italbras, pursuant to the terms and conditions of the Order; or
- b. if the provisions of the Order confirmation sent by Italbras are different to those of the Order, after 2 (two) days from the date of receipt of the confirmation by the Client, provided the latter has not sent a written objection to Italbras; in this case, Italbras shall consider the Order confirmation to be entirely accepted by the Client; or
- c. if there is no written confirmation of the Order by Italbras, when the Products are delivered, as per the terms and conditions of the Order, by Italbras to the carrier in order to be dispatched to the Client.

5. TRANSPORT CONDITIONS

Unless otherwise agreed in writing between the Parties, the carrier shall be chosen by the Client and the Product transport will be organised and paid for by the Client.

In no way shall Italbras be held responsible for the loss and/or deterioration of Products after delivery to the carrier at the Italbras warehouses, as indicated in Article 6 below.

6. DELIVERY

Unless otherwise agreed in writing between the Parties, Italbras shall deliver the Products Ex Works to the Client's carrier at its factory located in Strada del Balsego 6, 36100 Vicenza.

7. DELIVERY TERMS

Without prejudice to the provisions of Article 4, letter b) above, the term(s) for the delivery of the Products to the carrier will be indicated in the Order sent by the Client to Italbras.

These delivery terms are to be considered indicative and not fundamental pursuant to Article 1457 of the Italian Civil Code. In any case, they do not include the time required to transport the Products from the Italbras factories to the Client.

In the event of an act of God, the deadline for the delivery of the Products to the carrier shall be suspended for the duration of the event. If, following an act of God, the Order cannot be executed within 60 (sixty) days of the agreed date, both Parties have the right to cancel the Order by communicating this in writing to the other. In this case, no party has the right to request compensation for damages or refunds of any kind in relation to the cancellation.

8. PAYMENTS

Unless otherwise agreed in writing with the Client, Italbras, at its own discretion, will issue the invoice for the sale of the Products either at the time of dispatching the Order confirmation to the Client, or upon delivery of the Products to the carrier in order to be dispatched to the Client, or after the delivery itself.

Unless otherwise agreed in writing with the Client, payment of the invoice by the Client must take place upon receipt of same.

The payment will be made to the administrative site of Italbras, in Strada del Balsego 6, 36100 Vicenza, into the bank account communicated by Italbras.

Even in the case of issuing bills of exchange or cash orders or any collateral securities, any exception to the payment location as indicated above will be valid only if expressly approved by Italbras and communicated to the Client in writing.

In the case of non- or delayed payment, even just partial, of invoices issued by Italbras, the latter can request the payment of interest in arrears, calculated at the rate established by Legislative Decree No. 231/02 and applicable on a case-by-case basis.

Without prejudice to the above, any non- or delayed payment of the invoices, as well as changes in the financial status of the Client determined at the sole discretion of Italbras, will give Italbras the right - without affecting any other right - to demand compensation for damages incurred, to demand the immediate payment of the price of other product sales made to the Client and/or to request advance payment and/or the presentation of a suitable guarantee for potential future supplies of Products and/or to temporarily suspend the supply of Products ordered by the Client and/or to cancel any sales contract(s) already agreed with the Client pursuant to Article 1456 of the Italian Civil Code, with the consequential cessation of any obligation to deliver the Products and without giving the Client any right to claim compensation and/or indemnification or any other entitlements from Italbras.

9. SOLVE ET REPETE

The Client cannot raise any objection against to Italbras - with the exception of those relating to the invalidity, annulment and termination of the sales contract - in order to delay or avoid the payment of Products purchased under these Conditions.

10. RETENTION OF TITLE

Italbras shall remain the owner of the delivered Products until the Client settles the relating payment in full.

11. GUARANTEE

Italbras guarantees the Client that the Products sold to same shall be free of faults or defects for 12 (twelve) months starting from the Product invoice date, with the exception of those Products for which the packaging shows an expiry date of less than 12 (twelve) months, in which case the guarantee will cease at the indicated expiry date.

The guarantee on Products supplied by Italbras will be exclusively for faults and defects attributable to Italbras and will not apply if the Client cannot prove that it has stored and used the Products in compliance with the relevant technical and safety sheets, pursuant to Regulation (EU) No. 1907/2006, attachment II, supplied by Italbras to the Client for each Product.

The guarantee on Products is subject to the standard reporting of any faults/defects by the Client as indicated below.

The Client must, under penalty of invalidation, report any Product faults and/or quality defects or non-conformities to Italbras within 8 (eight) days of delivery. The report should be made in writing, as described in article 15 below. Likewise, the Client must report Product faults and/or quality defects or non-conformities of a hidden nature (i.e. those that are not identifiable based on the Client verification requirements set by law) to Italbras within 8 (eight) days of their discovery, as per Article 15 below.

If Italbras acknowledges the validity of the report, ascertaining that the Product faults are due to its own manufacturing process, it can choose to: (i) replace the supplied Product at its own expense (including transport); or alternatively (ii) reimburse the price of the Product with a credit note in favour of the Client. In both cases, Italbras can, at its own discretion and at its own expense, ask the Client to return the defective Products, which will become its property. Alternatively, it can ask the Client to destroy or dispose of the Products at its own expense.

The guarantee supplied by Italbras on Products is all-embracing and replaces legal guarantees for faults and non-conformities. Moreover, it excludes any other responsibility Italbras may have with regard to the Client arising from the Products, except in the case of wilful misconduct or gross negligence and any mandatory provisions of law. At the end of the guarantee period, the Client cannot make any request for compensation for damages, reduction of price or cancellation of the contract and any other claim in general.

The parties hereby agree that the Product descriptions provided by Italbras and contained in brochures or other forms of advertising, as well as the descriptions of the Italbras factories and methods, are not to be considered specific technical specifications of the Products but merely generic indications provided for advertising purposes. As such, unless agreed in writing between the Parties, these specifications will not create any obligation concerning the quality and/or use of the Products.

The Client is required to check the suitability of the Products for its desired purposes.

The Parties acknowledge that the Products are not supported by a conventional guarantee for faults or defects that the final consumer of the Client may have recourse to directly with Italbras.

The Client shall indemnify and hold Italbras harmless against any action, request, claim and any other initiative that may be initiated or promoted by third parties against Italbras and that is connected or attributable, even indirectly, to the sale of Products to third parties by the Client.

Without prejudice to the above and with the exception of cases of wilful misconduct or gross negligence for which there is no limitation of responsibility, Italbras' responsibility with regard to the Client and any third party shall be limited to the price of any defective or faulty Product.

12. EXPRESS TERMINATION CLAUSE

In the event of the Client defaulting on any of the obligations under Article 8 (Payment), 9 (Solve et repete), and 14 (Intellectual and Industrial Property Rights), Italbras has the right to cancel the individual sale of Products in writing, at any time, pursuant to and for the purposes of Article 1456 of the Italian Civil Code.

13. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

All the intellectual and industrial rights of Italbras, inclusive, by way of example, of rights for patents, designs, utility models, trademarks owned or licensed by Italbras, copyrights, know-how, technical specifications and data, whether these are registered or otherwise (henceforth, the “**Intellectual and Industrial Property Rights**”), are exclusively owned by Italbras; consequently, their communication or use does not violate any exclusive right of third parties or create any right for the Client in relation to same.

The Client undertakes not to commit any act that may even potentially violate the Intellectual or Industrial Property Rights of Italbras and, in particular, not to forge any patent, license, design, trademark, commercial name and/or copyright that is owned or available to Italbras. It shall not register or have registered any patent, licence, design, trademark, commercial name and/or copyright that uses the name "Italbras" or a name that sounds similar or the name of the Products in the Italbras catalogue.

The Client shall not modify, remove or alter in any way the trademarks used by Italbras on the Products or their packaging. It shall not modify or alter the advertising material used by Italbras and given to the Client.

The Client shall use the trademarks owned by Italbras exclusively in compliance with the written instructions given by same and for purposes under these Conditions.

The Client shall promptly inform Italbras of any fact that should come to its attention that may negatively affect the Intellectual and Industrial Property Rights of Italbras or the reputation of same.

14. RAW MATERIALS PROVIDED BY THE CLIENT

If the Client provides Italbras with raw materials to create the Products (henceforth, the “**Raw Materials**”), the special conditions under Article 14 shall apply.

The Client is required to provide the Raw Materials to Italbras in optimal conditions and ready for processing.

Transportation of the Raw Materials to the Italbras factories will be carried out under the responsibility, at the risk and at the expense of the Client; Italbras shall have no obligation with regard to said transportation, being, as it is, the simple recipient of the Raw Materials.

At the time of delivery of the Raw Materials to Italbras, the latter shall not perform any controls relating to the quality and/or suitability of same, its verifications being solely aimed at ensuring: (i) correspondence of the Raw Materials with the information stated in the transport and/or delivery documents; and (ii) that, with a simple visual inspection, the Raw Materials delivered are not obviously damaged.

Unless otherwise agreed in writing between the Parties, the Client cannot claim any rights on waste products created by Italbras processing the Raw Materials.

If Italbras discovers faults in the Raw Materials during processing, it shall be entitled, at its sole discretion, to: (i) suspend processing and ask the Client to replace the Raw Materials; or (ii) charge the Client for the expenses sustained by Italbras to purchase suitable Raw Materials. In any case, all the processing costs sustained by Italbras shall be charged to the Client.

The Client cannot make any claim to Italbras for Product faults attributable to the quality of the Raw Materials. The Client must prove that the Product faults are not attributable to the Raw Materials, but rather are related to the Italbras Product manufacturing processes.

The Client shall indemnify and hold Italbras harmless against any action, request, claim and any other initiative that may be initiated or promoted by third parties against Italbras due to defects in Products manufactured by processing the Raw Materials. The Client shall not have any right of recourse against Italbras, unless it can prove that the Product faults are not attributable to the Raw Materials, but rather are related to the Italbras Product manufacturing processes.

If the Client proves that the faults were in fact related to the Italbras Product manufacturing processes, the provisions under Article 11 above shall apply.

15. COMMUNICATIONS

Unless otherwise stipulated in these Conditions, every communication between Italbras and the Client relating to the said Conditions must be made in writing, addressed to the acting legal representative, and

sent via e-mail, fax or registered letter, either with return receipt or hand delivered, to the registered office of the other party, or to a different address that has been previously communicated in writing. Communications via e-mail or fax shall have immediate effect. Communications sent via post will be effective from the time of their receipt or, in the case of being made in confirmation of a previous e-mail or fax communication, at the time of being dispatched.

16. MISCELLANEOUS

The content of these Conditions annuls and replaces any other agreement between Italbras and the Client and embodies the full agreement between the parties.

The invalidity or ineffectiveness of a single clause in these Conditions does not affect the other clauses contained herein. The Parties hereby mutually agree to replace the clause considered invalid or ineffective with another clause that - as far as possible - has the same or an analogous effect, thus re-establishing the original balance of interests.

17. APPLICABLE LAWS - COURT OF JURISDICTION

These Conditions are exclusively regulated by Italian law with the exclusion of the Vienna Convention of 1980 on contracts for the international sale of goods.

Any dispute that arises in relation to these Conditions, including those concerning their validity, interpretation or execution, shall fall under the exclusive jurisdiction of the Court of Vicenza (Italy).

The Client

Pursuant to and for the effects of Articles 1341 and 1342 of the Italian Civil Code, the provisions of Article 5 (Transport Conditions), 7 (Delivery terms), 8 (Payments), 9 (Solve et repete), 10 (Retention of title), 11 (Guarantee), 12 (Express Termination Clause), 14 (Raw Materials provided by the Client) and 17 (Applicable Laws - court of jurisdiction) are expressly approved.

The Client