



GENERAL CONDITIONS OF SALES | 2009 edition

• 1 – APPLICABILITY

All of the contracts between Primpex S.p.a. (hereinafter “Seller”) for the purpose of selling its products (hereinafter “Products”) and to their client (the Buyer) will be subject to the following General Conditions of Sale, which cancel and replace all of the prior General Conditions of Sale, written or verbal agreements, or any previous practices and uses, carried out between the parties and excludes the application of all other general terms and conditions adopted by the Buyer and any third party.

• 2 – MODIFICATIONS

The Seller reserves the right to modify and/or change the General Conditions of Sale, in writing at any time.

• 3 – CONSIGNMENT-CONDITIONS

If not otherwise established in writing by the Seller, the delivery of Products is DDP (Incoterms 2000 Italian International Chamber of Commerce).

• 4 – PROPERTYRIGHTS

Until Seller has received full payment for the Products, title to such Products shall remain in the Seller.

• 5 – ORDERS-AND-DELIVERIES

Each order must specify the quantity of Products ordered and the delivery date agreed. All deliveries must be scheduled on normal business days, and delivery is DDP (Incoterms CCI 2000).

All Products are delivered in Seller’s normal packaging provided for the Product by Primpex.

• 6 – ACCEPTANCE-OF-ORDERS

All orders must be written in a clear and complete manner and must be printed on Buyer’s letterhead.

Orders placed by the Buyer are binding for the Seller only after the receipt of confirmation of the Seller, signed for acceptance by the Buyer by fax or email.

Buyer should review any correspondence regarding the orders, provide notice in writing of any errors within 48 hours of receiving order confirmation. After this 48 hour period, any errors in the order confirmation are deemed accepted by the Buyer and can no longer be considered mistakes.

• 7 – MODIFYING-AND-CANCELLING-ORDERS

Any modification or cancellation of orders on the part of the Buyer will not be accepted if received by the Seller after that the goods are already ordered.

In the case where the Buyer notifies the Seller of the change or cancellation before the Seller has started working, but the Seller has already incurred expenses, the Buyer must fully reimburse the Seller for any costs or damages.

Any written requests regarding changes or cancellations prior to Seller’s undertaking preparation are acceptable if confirmed by the Seller in writing

• 8 – CONTRACT TERMINATION OR SUSPENSION OF DELIVERY

The Seller reserves the right to cancel any orders already confirmed and/or terminate any sales contracts and/or suspend the delivery of Products, effective immediately, if one or more of the following conditions is verified:

a – Buyer is insolvent or is behind in payments to its creditors, or in a liquidity crisis, or has declared bankruptcy, or is in any type of insolvency procedure or similar procedure;

b – the Buyer’s assets are totally or partially seized under judicial process or if a liquidator or a bankruptcy trustee is nominated by the Buyer;

c – the Buyer’s financial or patrimonial situation declines, causing a reduction or a termination of credit by a lender or the revocation of a revolving letter of credit, and the Buyer does not provide further suffi-

cient assurance of payment to the Seller;

d – the Buyer breaches the General Conditions of Sale or a sale agreement.

● **9 – RESPONSIBILITY OF THE SELLER REGARDING SUPPLIED PRODUCT INFORMATION**

All of the Product information supplied by the Seller, in the absence of a specific Seller's data sheet, information in the catalogue, in the promotional material, in the price lists and in any correspondence, are given in good faith and should be used by the Buyer with care to insure the correct use of such information. Seller does not warrant any information provided and the Buyer assumes any and all risks that such information might be inaccurate. Seller does not assume any responsibility for unknowingly providing inaccurate information.

● **10 – IRREGULAR OR LATE PAYMENTS**

Any late payment by the Buyer allows the Seller to suspend immediately shipment of all Buyer's orders even if it concerns orders or consignments which are different to the irregular order or to the late paid order.

30 days after the agreed upon payment due date, penalty interests are added without a grace period and is calculated according to Italian law 231/2002.

Seller also has the right to recover all costs incurred in collection, whether or not a court proceeding is initiated, except in cases involving of major damage.

● **11 – TERMS OF DELIVERY OF GOODS**

The Product delivery date is approximate and not Seller's obligation unless Seller is more than 30 days late in delivery. Seller will use its best efforts to deliver Products within the contract schedule, but in no case will Seller be responsible for damages or costs directly or indirectly caused by a delay in carrying out a contract or a delay in the delivery of Product.

● **12 – THE PRODUCT QUALITY**

Seller guarantees that its Prime Grade Products comply with specific Product specifications, in which Buyer declares to have extensively and completely reviewed before submitting its purchase order.

Seller does not guarantee that Non-Prime products comply with specific Product specifications, as such products are not guaranteed by the producer himself.

Seller guarantees that its Products are suitable for the use in which they are used normally.

Seller does not assume any responsibility if the Products are unsuitable for a special use created by the Buyer, unless Seller provides a written guarantee for the use created by the Buyer.

The Seller also guarantees that the goods are free of any manufacturing defects according to laws in Italy.

● **13 – WARRANTY TERMS AND EXCLUSIONS**

Buyer shall examine the Products, or have them examined within ten days of delivery even if the contract or single order involves an additional transport of the Products to another destination handled by the Buyer.

Buyer, assumes the risk of loss unless Buyer notifies Seller in writing of any Product defects, deformities, or damage found, in a timely, detailed and non generic manner within ten days of the product delivery date. The notice shall specify the quantity of damaged Products, the time of damage, the party interested in the damage and the invoice in which the goods were included as well as the number and the date of the order confirmation.

Within eight days following this communication, Buyer should provide Seller with a complete sampling of the damaged goods, while the remainder of the goods should immediately be at the Seller's disposal or available for any necessary inspection.

In the case where the damaged goods are not reported in a timely manner, the Products will be deemed accepted without reservation and any late claims will not be considered by the Seller.

Regardless of any claim or rejection, Buyer cannot suspend payment according to Article 1462 c.c.

In no case can the Buyer offset the cost of goods with a provisional credit towards the Seller.

Seller is not responsible in cases where the Buyer, or the ultimate customer, did not store the Products in the correct manner or comply with the possible recommendations supplied by the Seller for the use and maintenance of the Products, of which the Buyer declares to be well informed.

This warranty is intended to replace any other Product warranties concerning sales, quality or suitability for a particular purpose, with the exception of a separate written warranty by the Seller.

Seller shall not be in any way responsible for any indirect damage or profits lost (or no profit) or for loss of reputation due to the characteristics or possible defects in the Products accepted by the Buyer.

Unless different agreements are drawn up in writing, no warranty will be issued by the Seller regarding product conformity with any type of rules and regulations, including security and protection measures possibly in effect in the Buyer's country.

In addition to the limitations explained above, it's the Buyer's duty to inform the Seller of the precise requirements

and legal regulations enforced in the Buyer's country, regarding the Products and their packaging.

● **14 – BUYER'S REMEDIES FOR BREACH OF WARRANTY**

If the Seller agrees with the damage report and communicates in writing to the Buyer, the Seller can at its option, do any of the following:

- a – Pick up the defective Product;
- b – Replace the defective Product;

● **15 – PARTICULAR CONDITIONS OF SALES**

In the case where the Buyer wishes to exclude a limited warranty or remedy clause from a particular binding contract with the Seller, as required by special conditions, that request must be put in writing and sent directly to the Seller before order is accepted. At Seller's discretion it can decide to accept Buyer's proposal, in writing, with an agreed appropriate increase in Product costs, that reflect the Seller's increased risks and obligations that the Seller has agreed to assume.

● **16 – APPLICABLE LAWS**

All of the contracts concluded by the Seller are exclusively subjected to Italian laws, while excluding the application of the United Nations Convention on Contracts for the international sales of goods, Vienna 11/04/1980.

● **17 – MEDIATION CLAUSE**

The parties agree by consent that any controversies arising from interpretation, application, execution, performance or lack of performance, decisions, non-existence, cancellation, inefficacy, and from the execution of this present contract, agree to utilize the services of a professional mediator in order to resolve differences. This mediator will be selected by the "Organismo di Conciliazione Concordia S.r.l.

The Mediation office is in Florence, via Alfieri, 28.

The mediation will be in the Italian and English languages.

The mediation procedures take 60 days from the beginning and are disciplined by the laws and regulations of the Mediator nominated by the above mentioned mediation.

The parties are required to appeal to the mediation prior to starting any legal procedure.

● **18 – JURISDICTION-AND-EXCLUSIVE COMPETENCE**

Any inherent controversy or any other controversy connected to the application, execution, resolution, cancellation, invalidity of the contractual agreements between the Seller and the Buyer, will place all parties under exclusive jurisdiction. Any controversy shall be determined under Italian laws and all parties agree to subject themselves to the exclusive jurisdiction of the Italian Court of Law (Foro di Firenze).

● **19 – AUTHENTIC TEXT – MODIFICATIONS**

The edited text in the Italian Language of the present sales conditions will remain the only authentic text.

Any possible texts in foreign languages are not to be considered binding, they were only produced as a courtesy, with the sole purpose of facilitating discussion.

Nothing added or modified will be considered valid unless it is put in writing and approved.

● **20 – FORCE MAJEURE**

None of the parties will be held responsible for the failure to fulfil their obligations provided for they are able to demonstrate: a) The failure was caused by an event or circumstance beyond their control, b) it was something impossible to imagine happening at the moment of signing the present contract, and c) that it was not reasonably possible to avoid or remedy the situation or its results.

Force majeure, includes without limitation, fires, floods, wars, revolts, forces of nature, civil or military acts, fires, strikes and uprisings.

If a force majeure event occurs, the execution date or dates of the obligations will be postponed for the required time period, under the condition that if the force majeure continues for a period of more than two months, the uninvolved party reserves the right to rescind the contract, doing so by communicating in writing directly to the involved party. Each party will do its best to minimize the effects of any force majeure.