

LATI General Conditions of Sale

1. CONTRACTUAL PROVISIONS

- 1.1 These General Conditions have been published on the web site www.lati.com. These General Conditions shall govern, except as otherwise specifically agreed in writing, all-present and future contracts of sale with Lati Industria Termoplastici Spa. General conditions of the Purchaser shall not be applicable, unless expressly accepted in writing; nevertheless, in this case, the general conditions of the Purchaser shall not prejudice, unless otherwise agreed in writing, the effectiveness of the present General Conditions, and need to be co-ordinated therewith. The term "Products" means the goods being the object of the individual Contract of sale governed by these General Conditions (hereinafter called "the Contract").
- 1.2 Any reference made to trade terms (Ex Works, FOB, CIF, etc.) is intended to be made to the Incoterms of the International Chamber of Commerce, as in force at the date of conclusion of the Contract.
- 1.3 All sale contracts between the Parties as well as the present General Conditions are governed by Italian law and, where the Purchaser's registered office is abroad, by the United Nations Convention for the International Sale of Goods, signed in Vienna on April 11, 1980, unless differently stated in the Contract or in these General Conditions.
- 1.4 The acceptance of a Contract by the Purchaser, in whatever way effected, shall imply his adhesion to the present General Conditions. In case the Seller issues an order confirmation, even after the conclusion of the Contract, any terms which imply modifications or additions to the Contract which may be contained in the order confirmation will apply, unless the Purchaser timely objects in writing.
- 1.5 Except for clause 1.4 here above, any modification of the Contract terms must be agreed in writing.

2. CHARACTERISTICS OF THE PRODUCTS -TOLERANCES

- 2.1 Information or data relating to technical features and/or specifications of the Products shall be binding only to the extent they are expressly referred to in the Contract. Failing an express agreement on particular specifications (such as, for example, their indication in the order made by the Purchaser and accepted by the Seller) the Seller's standard specifications shall apply.
- 2.2 The Seller does not warrant in any way the characteristics or specifications of the goods obtained through the processing of the Products, since:
 - ✓ the characteristics of the Products are measured on specimens according to standard methods and, consequently, the typical values so obtained may not be in accordance with the values obtained on the goods made by the Purchaser;
 - ✓ the processing operations carried out by the Purchaser on the Products are totally beyond the Seller's control.
- 2.3 Any quality differences which remain within tolerances conforming to usages of the branch or to practices established between the Parties will be considered as conforming to the Contract. As to quantity, tolerances of 10% are admitted, unless otherwise agreed.

3. DELIVERY TERMS

- 3.1 If the Seller expects to be unable to deliver the Products at the agreed delivery date, he shall inform immediately the Purchaser in writing and shall, if possible, indicate the foreseen delivery date. It is agreed that, only if the delay for which the Purchaser is liable exceeds sixty (60) days, the Purchaser may terminate the contract with respect to the Products which have been delivered late by giving a twenty (20) days' notice to the Seller, to be communicated in writing (even by fax).
- 3.2 The Seller shall not be liable for any delay due to "force majeure" (as defined in art. 9) or due to acts or omissions of the Purchaser (e.g. absence or delay in communicating data which are necessary for fulfilling the order).
- 3.3 In case of delay in delivery for which the Seller is liable, the Purchaser may (upon written notice to the Seller) request compensation for his actual and proven damages, within the maximum amount of five percent (5%) of the price of the Products which have been delivered late.
- 3.4 Except in case of fraud or gross negligence of the Seller, the payment of the amounts indicated in art. 3.3 is in lieu of any claim for damages arising out of non-delivery of or delay in delivery.

3.5 In case of cancellation of an order by the Purchaser, the Seller is entitled to compensation with respect to the damages arising therefrom. While with respect to standard products (i.e. products that can be sold to other customers) the Seller agrees to request compensation for damages only in particular cases (e.g. if the Seller was forced to sell the Products to another customer at a lower price than the one agreed with the Purchaser), as concerns special products made at the Purchaser's request, the latter shall in any case pay the agreed price at the agreed date. Such amount will be kept by the Seller, after deduction of the damages suffered by the Seller, as advance payment for future orders by the Purchaser.

4. DELIVERY AND SHIPMENT -RESERVATION OF TITLE

4.1 Unless otherwise agreed, any supply shall be deemed to be made Ex-Works at Seller's premises even if it is agreed that the shipment has to be carried out totally or in part by the Seller.

4.2 The risks shall pass to the Purchaser when the Products are handed over to the first carrier at the Seller's premises.

4.3 Any complaints concerning packing, quantity or outward features of the Products (apparent defects) must be notified to the Seller, by registered letter with return receipt within eight (8) days from receipt of the Products; failing such notification the Purchaser's right to claim the above defects will be forfeited. Any complaints relating to defects which cannot be discovered on the basis of a careful inspection upon receipt (hidden defects) must be notified to the Seller by registered letter with return receipt within eight (8) days from discovery of the defect and in any case not later than six (6) months from delivery; failing such notification the Purchaser's right to claim the above defects will be forfeited.

4.4 It is agreed that any complaints or objections do not entitle the Purchaser to suspend or to delay payment of the Products as well as payment of any other supplies.

4.5 The Products shall remain the property of the Seller until the complete payment of the price. Such reservation of title shall also extend to the goods made from the Products to the extent admissible under the applicable law.

5. PRICES

5.1 Unless otherwise agreed, prices are to be considered Ex-Works at Seller's premises, standard packing included. Unless otherwise agreed in writing, special packing required by the Purchaser, insurance, transport as well as any other services or accessory costs are not included in the price.

5.2 The prices are to be considered as not including VAT, taxes or duties of whatever type which may apply to the Contract.

6. PAYMENT

6.1 Payment shall be made within the agreed term and in the agreed currency. Subject to the compulsory provisions under Legislative Decree no. 231/2002 and its further modifications (transposition into Italian Law of Directives no. 2000/35/EC and no. 2011/7/UE), in case of delay with respect to the agreed date, the Purchaser shall pay to the Seller, starting from the date at which payment was due and with no need for any intimation to the Purchaser, interests determined pursuant to Legislative Decree no. 231/2002, including compensation of recovery costs incurred by Seller due to the Purchaser's late payments. Subject to the above, any delay in payment lasting longer than fifteen (15) days shall constitute a serious breach and shall entitle the Seller to terminate the Contract and to request the return of the Products at Purchaser's expenses, in addition to liquidation of damages.

6.2 The Purchaser is not entitled to make any deduction or set off from the agreed price (e.g. in case of payment made before the agreed date) unless previously agreed in writing with the Seller

7. GUARANTEE

7.1 The Seller undertakes to remedy any defect or non-conformity of the Products for which he is liable, occurring within six (6) months from delivery of Products, by replacing the Products that have proved to be defective according to the terms described below, provided he has been informed timely about such defect as per art. 4.3. In case of discovery of defective Products, the Purchaser shall put aside the doubtful goods and refrain from using them, and shall invite the Seller to verify the alleged defects. Should the Products prove to be defective (if appropriate, through a test by an independent laboratory) and provided the Seller appears to be liable for such defects, the latter shall replace the defective

Products as soon as possible. The Seller will not accept any complaint concerning Products that have not been stocked in proper place and conditions or with non-original packaging. All costs for transportation of the Products to be replaced and of the replaced Products shall be at the Seller's charge.

- 7.2 The Seller does not warrant that the Products conform to special specifications or technical features or that they are suitable for a particular use, unless and only to the extent such characteristics have been expressly agreed upon in the Contract or in documents attached to the Contract. Subject to the above, the Purchaser hereby declares that it has correct and full knowledge of the characteristics and specifications of the supplied Product and further declares that it has fully checked and tested the Product concerned, also with reference to the particular use the Purchaser intends to make with the Product, and, in any event, that it considers the Product concerned to be suitable for such use, so that the Purchaser hereby release and shall hold harmless the Seller from any liability thereof and shall indemnify the Seller from any damages or prejudice whatsoever, even deriving from third parties claims.
- 7.3 Except in case of fraud or gross negligence of the Seller, the Seller's only obligation in case of defects, lack of quality or non-conformity of the Products will be that of replacing the defective Products. It is agreed that the above mentioned guarantee (i.e. obligation to replace the Products) is in lieu of any other legal guarantee or liability with the exclusion of any other Seller's liability (both contractual or extra-contractual) which may arise from the Products supplied (e.g. compensation of damages, loss of profit, etc.).

8. QUALITY CONTROL -CERTIFICATIONS -INDUSTRIAL PROPERTY RIGHTS

- 8.1 Any engagement of the Seller to carry out quality control operations required by the Purchaser as well as any obligation undertaken by the Seller in the framework of the certification of the Product and/or of the production process must be agreed upon in writing or expressly referred to in the Contract.
- 8.2 The Seller declares that, as far as he knows, the Products do not infringe any patents, trademarks or other industrial property rights belonging to third parties, but cannot exclude with absolute certainty that such a situation might exceptionally arise, particularly in countries other than Italy. Should any such infringement be claimed by a third party against the Purchaser, the latter shall give the Seller prompt written notice of the claim and the Seller will take all reasonable steps in order to solve the problem. However the Seller has no liability for any costs or damages which the Purchaser may suffer as a consequence of any infringement of patents, trademarks or other industrial property rights belonging to third parties, unless in case of Seller's fraud or gross negligence.

9. FORCE MAJEURE

- 9.1 Either party shall have the right to suspend performance of his contractual obligations when such performance becomes impossible or unduly burdensome because of events beyond his control, such as strikes, lock-outs, boycotts, fires, war (either declared or not), civil war, riots, revolutions, requisitions, embargo, energy black-outs, delay in delivery of components or raw materials. Circumstances of the type indicated above, which have occurred before conclusion of the Contract, will give right to the above-mentioned right to suspend performance only if their consequences on the performance of the Contract could not have been foreseen upon conclusion of the Contract itself.
- 9.2 The Party wishing to make use of the present clause must promptly communicate in writing to the other party the occurrence and the end of such force majeure circumstances.
- 9.3 Should the suspension due to force majeure last more than one hundred and twenty (120) days, either party shall have the right to terminate the present Contract by a thirty (30) days' written notice to the counterpart.

10. JURISDICTION

The Courts of Varese (Italy) shall have exclusive jurisdiction with respect to any dispute arising out of or in connection with the Contract; however, as an exception to the above, the Seller is in any case entitled to bring an action before the competent Courts at the seat of the other party.

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