

TRAFIME S.p.A.
GENERAL SALES CONDITIONS
- version 01.05.2018 -



1. General Provisions

(1.1) These General Sales Conditions forms an integral part of all offers and/or order confirmations made by TRAFIME S.p.A. (hereinafter: "Seller") and all supply agreements for goods and services it may enter into. These Conditions exclusively regulate every order placed by the client (hereinafter: "Purchaser") after the signing hereof, even if not expressly referred to.

(1.2) Any different conditions of the Purchaser, including any provision for quality control, do not bind the Seller, even if they have not been explicitly rejected or in the event that the supply was carried out without reserve.

(1.3) Any condition or term that differs with respect to these general conditions may only be applied if expressly confirmed in writing by the Seller.

2. Offers and Orders

(2.1) Offers made by the Seller are binding for a period of 15 days.

(2.2) Any documents making up part of the offers formulated by the Seller, such as, purely as an example, designs, illustrations, etc., as well as the measurements, weights and uses indicated therein, are purely as an example and have no binding value for the Seller, unless expressly confirmed in writing.

(2.3) Any qualitative differences within the margins of tolerance of the sector and/or normally accepted by the parties in their business relations are to be considered in compliance with the contract. As regards quantity, the margin of tolerance is 10%, in deficit or surplus.

(2.4) Orders made by the Purchaser are not considered accepted until they have been confirmed in writing by the Seller. If the Seller does not provide for written confirmation of an order negotiated verbally, the issuance of the invoice or carrying out of the order by the Seller shall be considered confirmation.

(2.5) Orders and changes of orders made verbally or by telephone may only be effected by staff authorised for this purpose and shall be confirmed in writing by the Seller. Otherwise, the Seller does not assume any responsibility for possible errors or misunderstandings.

3. Prices

(3.1) Notwithstanding written agreements to the contrary by the parties regarding a specific, expressly identified case, the prices indicated by the Seller are intended as ex works of the Seller, including packaging.

(3.2) In the event of agreements that provide for delivery times exceeding six months from receipt of the order confirmation, the Seller herewith reserves the right to raise prices in proportion to the higher costs sustained in virtue of collective bargaining and the increase of prices on materials.

4. Payment conditions

(4.1) In the absence of a different written agreement, the amounts invoiced are to be paid within 30 days of the invoice date without discounts or reductions.

(4.2) Payments made to persons without written authority to collect them have no payment effect.

(4.3) In the event of delayed payments, interest in arrears of 8% above the CEB reference rate shall be due, starting from the date of issuance of the invoice.

(4.4) The Purchaser has no right to any compensation, deduction or reduction of the price, except in the event that the credit claimed from them has been definitively established in Court or has been expressly acknowledged by the Seller.

5. Delivery term

(5.1) The delivery term begins from the date the Seller confirms the order and under the assumption that all technical issues have been defined. If a framework agreement has been entered into, the delivery term shall refer to the production of samples. As soon as the Purchaser approves the samples, mass-production shall begin.

(5.2) Save cases in which the Seller has taken on the obligation of transporting the goods to a specific location, the delivery term is understood as respected, if the Products are delivered for shipping prior to the date agreed to, or when the Purchaser is informed of the availability of the goods for shipping.

(5.3) The Seller shall not be liable in any way for delivery delays due to force majeure or other unforeseeable events that cannot be ascribed to the Seller, including, without any limitation and purely by way of example, strikes, lock-outs, provisions from Public Authorities, blocking of import/export possibilities, suspension of production or delays by suppliers. In consideration of their duration and range, such events release the Seller from the obligation to respect any delivery term agreed to.

In the event the Purchaser delays taking delivery, or culpably violates any duties of cooperation, delivery shall be postponed for the entire duration of the

delay. The Seller may petition for compensation for all damages suffered due to the delay and any major costs sustained.

(5.4) If a delay ascribable to the Seller causes damage to the Purchaser, the compensation from the Seller may in no case exceed 5% of the total value of the products that cannot be promptly used due to the delay.

6. Returned goods

(6.1) The Seller is not obliged to accept remainders of products. In the event that the Seller accepts returned goods, he shall have the right to request a flat-rate reimbursement of 20% of the net purchase price of the goods in question, for contract and administrative expenses.

(6.2) The Seller shall undertake to accept the return of packaging materials under the condition that they are sent free-house.

7. Transfer of risk

(7.1) The risk is transferred to the Purchaser at the moment of delivery of the goods to the shipping agent, unless the Seller has expressed assumed, in writing, the obligation to provide for the delivery.

(7.2) If the shipment is delayed by circumstances ascribable to the Purchaser, such as not taking delivery of the goods or violation of the cooperation obligations, the risk shall be transferred to the Purchaser as soon as the latter receives notification of the availability of the goods.

(7.3) Upon request by the Purchaser, the goods may be insured at the expense of the Purchaser.

8. Duty to Accept the Products

(8.1) The delivery of the goods supplied is to be accepted, even if defects are detected, without prejudice to the right as per point 10 below.

(8.2) The Seller reserves the right to make partial deliveries.

9. Retention of title

(9.1) The Products supplied remain the full property of the Seller, until the date on which the Purchaser has provided for complete payment of the sales price and all amounts due the Seller as per the agreement.

(9.2) Until the above date, the Purchaser holds the Products in the capacity of the Seller's trusted custodian and is to keep the Products suitably stored, protected and insured, and separate from its own and third-party products, with explicit indication of the Seller's retention of title.

(9.3) During manufacturing processes initiated while carrying out ordinary activities, the Purchaser is authorised and entitled to the sale, use and utilisation of the Products supplied to him, hereby maintaining the retention of title in favour of the Seller.

If goods under retention of title are used jointly with third-party goods in manufacturing processes, the Seller shall have the right to a co-ownership share of the new goods that is equal to the trade value of the goods originally supplied, in relation to the trade value of the other products, as well as the value of the manufacturing cost.

The revenues derived from the sale and manufacturing shall be transferred to the Seller, who accepts them jointly with the additional rights up to the amount of the price due to the Seller by the Purchaser for supplying the Products.

(9.4) The Purchaser is not authorised to make different arrangements for the Products, that is, specifically, setting up pledges and/or guarantees on them.

(9.5) The Seller acknowledge to the Purchaser the right to collect credits transferred pursuant to point 9.3, without prejudice to the right to revoke authorisation thereof. The Seller shall undertake not to have recourse to the right to collect transferred credits as long as the Purchaser punctually and fully discharges his payment obligations.

(9.6) In the event the Purchaser does not make payments within the terms and according to the methods indicated by the Seller and in the event of contractual non-fulfilment, the Seller shall have the right to prohibit the manufacture, resell and alienation of the Products supplied under retention of title and the Purchaser shall be held to make the Products under retention of title available to the Seller.

(9.7) In the event of actions brought by third parties against the Products under retention of title, the Purchaser shall inform said third parties of the fact that such Products are the property of the Seller and shall inform the Seller as quickly as possible about the actions against the Products under retention of title, hereby confirming this notification by recorded delivery letter.

10. Claims and Warrantees

(10.1) The Purchaser shall immediately examine the Products supplied. Any claims concerning the packaging of the Products, quantity and number or external aspects (visible defects) are to be reported within 15 days of receipt of the Products, by recorded delivery letter with advice of delivery, in which the defects detected and the Products to which they refer are clearly specified.

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(10.2) Claims related to defects that cannot be detected even by diligent controls (hidden defects) are to be contested within 15 days of the date of discovery of such defects, but not exceeding six months from the delivery, by recorded delivery letter with advice of delivery, in which the defects detected and the Products to which they refer are clearly specified.

(10.3) Any challenges or claims do not give the Purchaser the right to suspend or delay payments of the Products being challenged, nor those of other supplies.

(10.4) The Seller shall undertake to remedy the defects of conformity of the Products attributable to him and reported within six months of delivery thereof, within the terms and methods indicated, by replacing the non-conforming Products or integrating any missing products, using the methods described below.

In case of the discovery of defective Products, the Purchaser shall keep the suspected material separate and immediately suspend use of them, hereby allowing the Seller to check the reported defects.

(10.5) In the event defects being encountered (controlled, if necessary, at an independent laboratory) that render the Product non-compliant with what was contractually agreed to and which are attributable to the Seller, the latter shall provide for replacing the defective Products as quickly as possible.

(10.6) No claim shall be accepted for Products not stored in suitable locations and under suitable conditions.

(10.7) The transport costs for Products being replaced shall be borne by the Seller.

11. Limitations of Liability

(11.1) The Seller does not guarantee the conformity of the Products to specific or distinctive details, except to the extent to which they have been expressly agreed to in the contract or documents referred to in the contract and made in writing.

In no case does the Seller guarantee in any way the features or specifications of Products produced by the Purchaser through the use of the Seller's Products, it being understood that the Purchaser shall be exclusively liable for the suitability of the Products regarding their assembly, incorporation and use with third-party products.

(11.2) Except for cases of grievous default or negligence, the Seller is solely held to replace Products and supply any non-shipped Products. The above guarantee incorporates and replaces the guarantees and responsibilities, provided by the Law and excludes any other responsibility (both contractual and extra-contractual) that in any way originated from the Products supplied (purely as an example, compensation for damages and loss of earnings).

12. Applicable Law

(12.1) The contract is exclusively governed by Italian law, hereby excluding the Convention of the United Nations concerning the sale of movables (Vienna Convention).

13. Location of Fulfilment and Place of Jurisdiction

(13.1) The place of fulfilment of all contractual obligations is the registered office of the Seller.

(13.2) Any controversy that may arise between the parties concerning the interpretation, validity or execution of these General Sales Conditions and related agreements entered into, whether framework agreements or individual sales agreements, shall be transferred to the exclusive jurisdiction of the Court of Catania, hereby expressly excluding any other competing or alternative Court. The Seller reserves the right to also summon the Purchaser before the Place of jurisdiction of the latter.

14. Final Provisions

(14.1) The invalidity of all or part of each provision herein does not affect the validity of the remaining provisions.

(14.2) The Purchaser herewith expressly declares having examined these General Sales Conditions and received a copy hereof.

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(signature)

Pursuant to and in accordance with articles 1341 and 1342 of the Italian Civil Code, the Purchaser specifically approves the following contractual clauses:

Art. 1 (1.1, 1.2, 1.3) General provisions and exclusive applicability of the general sales conditions to all of the Seller's agreements; Art. 2 (2.3, 2.4, 2.5) Margins of tolerance; finalisation of the order, methods and terms; Art. 3 (3.2) Price increases; Art. 4 (4.4) No right to compensation; Art. 5 (5.3 and 5.4) Non-fulfilment by the Purchaser in taking delivery and limitation of liability of the Seller; Art. 7 Transfer of Risk; Art. 8 Duty of acceptance; Art. 9 Retention of title; Art. 10 Claims and Warrantees; Terms for reporting defects; Art. 11 Limitations of Responsibility of the Seller; Art. 12 Applicable Law; Art. 13 Place of Jurisdiction and Location of Fulfilment of the Obligations.

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(signature)