

Menzolit S.r.l.
Via Isonzo 39, 22078 Turate (Como) - Italy

GENERAL SALES CONDITIONS

1. EFFECTIVENESS OF THE GENERAL SALES CONDITIONS

These general sales conditions (hereinafter, "CGV") of MENZOLIT S.r.l. ("Seller") are an integral part of each order, order confirmation and purchase contract or supply of Menzolit products (hereinafter the "Products") and apply, also without specific reference, to any sale or supply made by the Seller to the Customer. They prevail over and cancel any additional or different conditions to those set forth in these CGV, even if contained in the orders or in the general or special conditions of the Customer, which have no effects. These CGV do not imply any supply obligation or constraint for the Seller, nor any exclusivity rights for the Customer. On issuing its order the Customer accepts the CGV of Menzolit. Customer orders must be sent in writing and are subject to the Seller's written approval, as set forth in article 2 below. Any exceptions or amendments to these CGV are only valid and effective if approved in writing by the Seller.

2. FINALISING THE CONTRACT

Customer orders constitute an irrevocable proposal pursuant to art. 1329 Italian Civil Code for 10 (ten) working days from receipt by the Seller, and are subject to the Seller's acceptance conditions. The contract shall only be considered as finalised following: a) a written order confirmation sent by the Seller (also by e-mail) to the Customer within the proposal validity term indicated above, or b) following the start of execution by the Seller, pursuant to art.1327 Italian civil code (the following are considered "start of execution", even procurement of the Products or of raw materials for production, even if from other Group companies, the start of production on the Products ordered, or delivery of the Products to the Customer as indicated in art. 4) below, based on which of those conditions indicated takes place first, with no need for notice that execution has started. The order confirmations transmitted by Menzolit containing any conditions that differ to those in the order are considered as approved unless contested by the Customer in writing within 3 (three) working days of receipt of the order confirmation. In that hypothesis, with a contestation, the delivery terms will start from the date of the written agreement between the parties on the differing conditions contested. The Seller will not start any order that is not confirmed as indicated above.

3.TOLERANCES PERMITTED

All Customer orders or requests are considered as subject to Seller approval, also related to Product availability. The parties agree that even after acceptance of the Customer's order or supply request, the following tolerances will be permitted, related to ratios between delivered and ordered: above 10 tons of ordered, a tolerance of +/- 5%, from 5 to 10 tons, tolerance of +/-10%, from 2.5 to 5 tons, a tolerance of +/-300 kg. Within the tolerance limits indicated, the Customer may not make any claim of the Seller related to the quantities delivered, without prejudice to the fact that the Customer shall only pay for the Products delivered. The net weight indicated in the invoice is considered, for technical/operating reasons, with the tolerance of +/-5 kg. Without prejudice to the above, Customer orders and requests are subject to raw material availability, even exceeding the above mentioned tolerances, which do not apply if there should be a lack of, insufficient or unavailable raw materials.

4. DELIVERY OF PRODUCTS

The delivery dates, even if accepted by the Seller, are merely indicative (also dependent on the availability of Product or raw materials). They shall not give the Customer any right to change or cancel the order, nor may they be a base for any Customer claim from the Seller, even as compensation (even for claimed direct or indirect damages or production stops or for other reason). In any case, the Customer undertakes to collect and fully pay for the Products ordered, delivered by the Seller. The orders (even if accepted) and the Product sale or supply contracts are subject to the regularity of the Customer payment condition; and to the condition of ceiling coverage for without recourse transfer or credit insurance (based on the instrument chosen by the Seller), for what concerns Menzolit credits resulting from contracts and relations with the Customer.

The Seller may suspend delivery of the Products to the Customer with any outstanding bills or late payments by the Customer; even if the delivery is related to relations, orders, supplies, Products or contracts that are not those for which the non or late payment occurred, based on terms agreed, up until full payment by the Customer has been made. In the cases indicated, the Seller may terminate any contract in a written notification, even by e-mail, (even if related to supplies and/or Products that are not those for which the Customer non-compliance occurred) if there should be late payment for any amount owed by the Customer to the Seller, when the late payment exceeds 30 (thirty) days from the term agreed. In that situation, the services executed until the termination moment are not affected (services executed are considered, for the Seller, goods deliveries made, excluding the obligation to deliver the goods not yet delivered, even if the relative order is prior to termination), and with the obligation for the Customer to immediately pay any amount possibly due, at the termination date, related to the Products delivered, at that date. With no prejudice to the right of the Seller to withhold any advances received related to goods not delivered for the supplies/contracts for which the termination is taking place, as a penalty and without prejudice to any further damages.

Similarly, Menzolit will not deliver the Products, and the orders (even if accepted) and contracts will be terminated by right, with no coverage of or exceeding the Menzolit credits resulting from the sales or supplies of Products, with reference to the ceiling granted (even following the relative revocation or reduction) by banks with which the Seller has accounts for the transfer *without recourse* of credits, or with no coverage of

or exceeding the Menzolit credits for credit insurance (based on the instrument chosen by the Seller). In the above cases, termination takes place by right following written notice from Menzolit. The Customer may not make any claim of Menzolit, even related to the full or partial non execution of the above supplies and deliveries.

5. PRICES – PAYMENTS

All prices indicated by the Seller in its price lists, order confirmations and documents are in Euro, excluding VAT (which has to be added to prices indicated), unless specifically indicated otherwise. With no prejudice to the above, payments must be made in the currency indicated in the invoice issued by the Seller to the Customer. Anything not specifically indicated in the Seller's order confirmation (when issued) or in the relative invoice/s for the goods supplied by the Seller must be considered as excluded from the supply and the relative price, and must be paid separately based on the Seller price lists in force at the time of order. The prices and payment terms applied are those indicated in the Menzolit order confirmations or, if there are none, in the Seller price lists or document in force when the order is accepted by the Seller. In any case, the prices are subject to the condition "except for increase in the costs of raw materials and/or production costs", and will therefore be adjusted accordingly in an increase.

In addition to the cases foreseen, the Seller may suspend supplies and terminate contracts to be executed (by written communication to the Customer), with facts or circumstances that could mean that the Customer had lost its financial capacity to fulfil its obligations; such as, for example, with protests, seizures, injunctions started against the latter or even voluntary liquidation. Furthermore, if the Customer should be declared bankrupt or be subjected to other bankruptcy proceedings or other procedures established by bankruptcy regulations, company crises, or for restructuring and/or indebtedness. Not providing the guarantees promised or a decrease in the guarantees provided to the Seller by the Customer or the reduction or revocation – by institutions enabled to perform credit transfer transactions and/or credit insurance companies and/or bodies, claimed/to be claimed by the Seller from the Customer, related to the Products supplied/ being supplied, shall cause the forfeiture of the benefit of the term pursuant to art. 1186 Italian civil code, with no prejudice to the right of the Seller to subordinate any supplies to providing new guarantees or to amendment of the existing conditions. All the above in addition to any other right and/or remedy due to the Seller by law, contract and/or these CGV.

6. RETENTION OF TITLE – SOLVE ET REPETE

The sale of Products takes place with retention of title. The result is that the Products remain the property of the Seller until the relative price has been paid in full by the Customer. The Customer does not have the right to sell the products purchased to third parties until they have been paid for in full, unless authorised to do so in writing by the Seller. The Customer may not suspend, refuse or delay, nor reduce any payment in relations with the Seller, even making objections or proposing actions of any kind. It must pay in full before raising or starting any dispute, objection or action, under penalty of them not being allowed. The Seller can change its price lists at any time. The price lists in force when the Seller accepts the order shall apply.

7. ACCEPTANCE OF THE PRODUCTS

Any disputes related to any Product quantities missing, compared to those indicated in the transport document, must be specifically entered in the document returned to the courier assigned. In any case, they must be notified to the Seller by the Customer, by registered letter with return receipt or by certified e-mail, within three working days of the Customer's reception date of the Products in question, resulting from the relative transport document. If this is not done, the Products delivered will be considered as definitely accepted and compliant, also for what concerns relative quantities, with what is indicated in the relative contractual document and the transport documents referred to them. With the consequence that any Product quantity differences, compared to what is indicated in the transport documents, may not later be enforced by the Customer.

8. QUALITY OF PRODUCTS

Referred to the Products sold, the only warranty is their conformity with the Product technical sheet prepared by the Seller (or by the Manufacturer, if not the Seller). The warranty only concerns any production flaws or defects that mean the Products do not respond to the characteristics indicated in the Product's technical sheet prepared by the Seller (or by the Manufacturer) in force when the order is accepted. It is understood that any flaws or defects in the quantity delivered must be reported by the Customer, by registered letter with return receipt or by certified e-mail within 3 (three) days of the Products being delivered. In a case of hidden flaws or defects, these must be reported to the Seller within 3 (three) days of discovery, in any case by the Product expiry date, in the same way described above. In any case, when reporting the claimed flaws or defects, the Customer must indicate references to the batch the Products disputed belong to and must also adhere to the indications of the Seller (including if the Seller should request a possible suspension to use of the batch in question). In any case, any warranty related to the Products ceases at the material expiry date. It is understood that any action (including any returns to the Seller) is subordinate to control of the Products in question by the Seller. If the Seller should ascertain the presence of the flaws and/or defects reported it may, at its discretion: i) replace the defective Products (with them first being returned to the Seller by the Customer), or ii) reduce their price related to the type and extent of the defects ascertained. The Customer may not claim anything else, waiving the right to terminate the contract and/or any compensation or indemnity.

9. EXCLUSION OF THE WARRANTY

This warranty is excluded if the Products are not used correctly including use that does not comply with the Product's technical sheet or indications reported in the label or on Product labelling, and in general instructions received from the Seller (or the Manufacturer, if different). Also for what concerns, as an example, their use outside the maximum time period of use indicated on the label, and with incorrect storage (also related to Product packaging which must only be the original one), or, if they are used in unsuitable physical and/or chemical conditions, compared to what is reported in the technical documents of the Seller (or the Manufacturer, if different). In those situations, the warranty in art. 8 is not applicable.

10. COMPLIANCE WITH EU AND NATIONAL LAWS

The Seller only guarantees Product compliance with EU and Italian laws, excluding any other regulations that are not those indicated.

11. TERMINATION CLAUSE

Without prejudice to what is set forth in art. 4 above, the Seller may cancel any order and terminate any contract with the Customer, immediately and with full rights, in one of the following circumstances: a) Customer bankruptcy or being subjected to agreement with creditors or another bankruptcy procedure or related to a company crisis; b) the Customer goes into liquidation (even voluntarily); c) change to Customer control or of its parent company (meaning the transfer of more than 50% of voting rights).

12. PROHIBITION TO TRANSFER

The Customer is specifically forbidden to transfer to third parties, in full or even partially, these CGV and/or each order and/or each and any contract with the Seller related to the Products and/or rights and obligations resulting from those relations or contracts, without the prior written authorisation of the Seller, who is free to deny it. This prohibition concerns any occurrence or type involving the transfer by the Customer of the CGV and/or any contract governed by these CGV to any subject who is not the Customer (including with a merger, splitting up, conferring, transfer, rental of company or company branch and any other occurrence or similar which produces those effects).

13. APPLICABLE LAW

These CGV and each order, contract, relationship between the Seller and the Customer shall be regulated by Italian law, as the sole applicable law. In any case, application of the United Nations Convention on the international sale of goods (CISG) is specifically excluded.

14. SOLE JURISDICTION

Milan Court of Law shall have sole jurisdiction over any dispute between the Parties related or connected to these CGV and/or the sale or supply of Products to the Customer, from all points of view.

However, with no prejudice to the above, except for the right, reserved solely for the Seller, to possibly agree with the Customer, alternatively, in the Court of the place where the Customer has its registered office.

15. FORCE MAJEURE

Any delays or non compliance with the obligations in these CGV and/or contracts finalised between the Seller and the Customer may not lead to consequences resulting from non-compliance, when they depend on fortuitous or force majeure circumstances. By that meaning events that are beyond the reasonable control of the

Parties and not attributable to them, including, with no limits, cases of full or partial block of production or plants; failures, blockage or reductions in the supply of electricity; shortcomings or lack of raw materials or difficulty with the relative procurement and/or delays in the relative supply; abnormal increases in production costs and/or of raw materials for the production and supply of the Products; embargoes, limits, blocks to imports or exports; interruptions in the commercial relations between countries; regulations, orders or provisions by national, community or international authorities; difficulties in the circulation of products or raw materials; strikes even company ones; local, national or international limits to circulation; wars, revolts, coups, insurrections, calamities, fires, earthquakes, floods, epidemics, pandemics, and any other case considered a fortuitous or force majeure circumstance. In one of the above circumstances, the Parties shall agree in good faith the best measures to handle problems emerging, in their mutual interest. The Customer undertakes to accept any even partial or late services by the Seller, waiving any complaint, dispute or claim on the matter. If one of the above situations should last longer than 90 (ninety) days, the Seller may terminate and/or cancel the contract/s and/or the orders in force when one of the above-mentioned events should occur; just limiting itself to refunding any advances paid by the Customer related to the contract/s terminated, without any compensation or indemnity and without further consequences for the Seller. It is not permitted to invoke a fortuitous or force majeure circumstance related to hypotheses which highlight monetary obligations.

16. INDUSTRIAL PROPERTY RIGHTS – CONFIDENTIALITY

The Seller is, and remains, the sole owner of all rights to trademarks, distinctive signs, trade names and, in general, all its own industrial and/or intellectual property rights related to the Products of the Seller and/or however used in the activities performed by the latter. The Customer is specifically forbidden to use the trademarks, distinctive signs, trade names, know-how and, in general, the industrial and/or intellectual property rights of the Seller in any way or form without the prior written authorisation of the Seller.

If the Customer should gain knowledge of any breaches to the industrial and/or intellectual rights and/or know-how of the Seller and/or deeds of unfair competition against the latter, it shall notify the Seller immediately in writing, undertaking to provide the latter with all assistance or collaboration possibly required, also to pursue those responsible before all authorities. The Customer undertakes to consider strictly private and confidential any information or news provided by the Seller or however related to the latter and its Products, including the material (inclusive of technical sheets related to the Products), undertaking not to disclose them to any third party.

17. GENERAL PROVISIONS

17.1 Any exception and/or amendments and/or addition to these CGV must be in a written deed signed by the Seller, under penalty of nullity.

17.2 If one or more provisions in these CGV should be declared not valid or ineffective, the validity and effectiveness of the other provisions in the CGV remain unchanged.

17.3 If these CGV should be translated into other languages besides the Italian version, the Italian language version shall prevail before all authorities.

17.4 These CGV replace any prior version of the general sales conditions.