

## KARTON S.p.a. – GENERAL SALE TERMS

### 1. SCOPE OF THE GENERAL SALES TERMS

Save where expressly provided otherwise in special terms or other contractual documents accepted by us in writing, these sale terms, published on our website <http://www.karton.it/uk/download.htm> together with product-specific documentation, shall be deemed to lay down the contractual conditions regulating the sale of our Products. The placement of an order implies unconditional acceptance of these sale terms as well as the other technical Product information.

### 2. ORDERS

Our **offers**, inclusive of prices, dimensions, weights, etc., must be deemed to apply only to a specific sale, and shall remain binding for thirty days, save where otherwise specified in the offer. Should the customer place an order following expiry of the aforesaid thirty-day period, the offer price may be subject to change. **Orders** must be forwarded in writing (including by e-mail or facsimile transmission) and shall be deemed binding only upon receipt of formal written confirmation. Should the information set forth in the order be incomplete, the more exhaustive data contained in our written offer shall be deemed to apply. Orders for custom-designed sheeting formats must be accompanied by a binding technical drawing to serve as a blueprint for the production of the bespoke sheeting, it being however understood that we provide no guarantee whatsoever regarding the accuracy of the drawing supplied by the customer. The product warranty shall not apply to any consignment of custom-designed sheeting which is found to be wrongly manufactured or shaped as a result of errors in the customer's drawing. Applicable technical/production specifications and sizing tolerance thresholds are indicated in our technical documentation published on our website. The approval of drawings and/or samples shall be construed as full acceptance of the same, entailing the preclusion of any and all subsequent claims or complaints in such regard. Orders are to be considered confirmed only upon receipt of our express written acceptance of the same. In the event of our written confirmation of an order subject to specific changes in the customer's original request, the said changes shall be deemed implicitly approved by the customer if the latter fails to raise any objections in such regard, in writing, within 3 (three) days following receipt of our written confirmation specifying the changes.

### 3. DELIVERY TERMS

**Delivery** terms should not be considered mandatory. Whilst undertaking to exert our best endeavours to ensure that the Products are delivered by the established deadlines, we decline liability for any harm directly or indirectly occasioned by delays in the delivery of our Products. In the event of acts of God or unforeseeable circumstances beyond our reasonable control, commonly defined as "force majeure events" delivery terms are to be deemed suspended as of the date on which the related obstacles first arose.

The customer is specifically bound to take any action that may be necessary and/or useful to take delivery of the Products, regardless of whether or not initially established delivery terms have been complied with, and irrespectively of any and all contractual provisions regarding shipping costs and/or payment terms and/or the delivery of documents of any nature or kind whatsoever.

If delivery is to be effected on an ex-works basis, and the Products are not withdrawn within 7 days following the date specified in the order confirmation, we shall take all due precautions to ensure the safekeeping of the consignment, reserving the right, in all such cases, to claim liquidated and ascertained damages in the amount of EUR 150.00 for each day the Products remain in our custody beyond the aforesaid deadline, in addition to seeking compensatory damages for any and all further harm we may have sustained as a result.

### 4. TRANSFER OF RISK

The Products are shipped at the customer's risk and expenses. Save where specifically provided otherwise, risks shall be deemed to pass upon delivery, on an ex-works (EXW) basis (INCOTERMS 2010), at our facility in Sacile, after the Products have been loaded on to the vehicles, unless otherwise specified in writing. Should the Products be lost or damaged during shipping, any and all related claims must be raised directly against the carrier, if the latter was appointed by the customer. In the event of failure to withdraw the Products by the established deadlines, any and all the risks associated with Products awaiting withdrawal in our warehouse, shall be deemed to have passed to the customer. The Products shall be shipped in the packaging specified in the written confirmation of the order. Insurance against loss, damage or breakage during shipping shall be acquired only at the customer's express request to such effect, and in all cases, at the customer's expenses.

### 5. PRICES AND PAYMENT

**5.1 Prices.** Given that each order pertains to a specific batch of Products, prices and any and all potential price reductions or increases, are determined on the basis of the estimated values of a series of variable factors. In the case of open orders, the prices indicated in our order confirmation notices, are subject to change. Any and all additional taxes, customs duties or other charges levied under Italian law or, otherwise on exports or the transit of goods through other countries, shall be borne by the customer.

**5.2 Payment terms.** Payment terms must be agreed with us in writing, and shall be regulated pursuant to the relevant provisions of this article, depending on the means of payment used. In any event, all payments must be deemed to be made at our offices. In no case may the issue of bills of exchange or cheques be deemed to constitute full and final payment, or otherwise, result in the novation of the original payment obligation. **(a)** Payments by direct bank remittance must be made by the established deadlines by bank transfer or SWIFT transfer to the bank account specified by us. **(b)** Payments may also be made by way of bank draft or collection order drawn on a bank selected by the customer, or otherwise by a branch – in the customer's city – of the bank that serves us, in the amount payable as per the invoice, with a bank value date coinciding with the due date of payment. **(c)** Payment may, moreover, be effected by irrevocable, confirmed and transferable letter of credit (L/C) issued by a major bank at the customer's expense, subject to a bank value date coinciding with the due date of payment, negotiable against presentation of the usual documents or documents specified in writing, and regulated pursuant to the UCP of the ICC, publication no. 600.

In the event of staggered deliveries, the payment terms specified in the related orders or order confirmations shall apply to each shipment.

**5.3 Defaults and delays in payment.** Interest on arrears shall be payable on any and all amounts outstanding and overdue, at the rate applicable from time to time under Italian regulations adopted in implementation of EU Directive 2000/35/EC, without prejudice to our right to terminate the agreement and seek compensatory damages in such regard. We reserve the right to suspend partial shipments underway as well as orders yet to be filled. In the event of default, upon expiry of 48 hours without any written response to our written request for payment, we shall be entitled to serve the customer formal notice of the cancellation of the order by right, at our sole discretion, and without prejudice to any other rights and remedies available to us in respect of any and all additional harm and losses sustained. In no event shall the customer be entitled to suspend or withhold payments, not even in the case of complaints, contestations or disputes. In all cases where the customer is unable to establish that the delay in payment arose by reason of circumstances beyond the customer's reasonable control, we shall be entitled to a full refund of any and all the costs incurred to ensure collection of overdue and outstanding payments, as well as compensatory damages covering any and all additional harm and losses sustained as a result of the customer's default.

We moreover reserve the right to request and require the customer to provide a payment bond or other bank guarantee issued by a primary financial institution acceptable to us, covering full and prompt payment for the Products to be delivered pursuant to any specific order, should we feel that the customer presents a significant risk of default.

### 6. PROPRIETARY TITLE

We retain **proprietary title** in the Products through to full and final payment of the price of the same. In the event the customer re-sells the Products before we receive full payment of the price of the same, we must be deemed to automatically replace the customer in all of the latter's rights as the third-party buyer's obligee, it being understood that the proceeds of the re-sale concluded with the third-party buyer shall be deemed to be held by the customer in our name and on our account, and therefore, subject to immediate transfer to us. In any event, any and all the risks, especially of loss or damage, associated with the Products, shall be considered to have passed to the customer. In partial departure from the provisions of article 10 below, the customer shall be bound to ensure timely compliance with any and all regulations governing retention of proprietary title, applicable in the country in which the Products are re-sold, bearing all related costs and fully discharging all the formalities required for such purpose. **6.1** Default on even only one price instalment shall entail automatic forfeiture of the **benefit of instalment payment terms**, with the result that we shall become entitled to claim immediate payment of the entire amount outstanding by way of price of the Products. **6.2** In the event the customer withdraws from these general sale terms, or the same are otherwise terminated or cancelled, we shall be entitled to not only withhold any and all amounts we may have already received by way of advance deposit, but also charge the customer **liquidated and ascertained damages** in the amount of 150% (one hundred and fifty percent) of the agreed price of the Products, without prejudice to our right to claim compensatory damages in respect of any and all additional harm or losses we may have sustained.

### 7. LIABILITY

**7.1 Warranty.** The Products are fit for use for the purposes they normally serve, and are covered by warranty against non-conformity, and defects in materials and/or processing.

**7.2 Complaints.** The Products must be examined by the customer immediately upon delivery. Complaints regarding incomplete or erroneous deliveries, as well as the delivery of Products that are clearly different from those ordered, and/or damaged, defective or non-conforming Products, must be forwarded within 8 (eight) days following delivery, under penalty of forfeiture of all rights, remedies and causes of action in such regard. Returns of rejected Products may only be effected subject to our written authorisation.

Any and all hidden non-conformities, faults or defects that are not immediately apparent upon delivery, must, under penalty of forfeiture of all rights, remedies and causes of action in such regard, be reported to us within 8 (eight) days following the discovery of the same. Indemnification for all discrepancies between contractual requirements and the Products delivered, as determined and acknowledged by us in writing, shall take the form, at our discretion, of either payment of an amount commensurate with the value of the non-conforming Products as reflected in our offer, or otherwise, replacement of the non-conforming Products within a timeframe to be established by mutual agreement. No indemnification whatsoever shall be due in respect of harm or losses arising from any additional processing, production delays, or sorting procedures that the customer may face following the processing of non-conforming materials without our written approval. No account shall be taken of complaints that are not supported by adequate information and physical or documentary evidence of the alleged defects or non-conformities (such as, order number, batch number, article code, photographs, physical samples, etc.). We reserve the right to determine whether or not the evidence provided by the customer are sufficient to establish that the allegedly non-conforming products in question were in fact manufactured by Karton and/or that the said products are actually defective. The customer shall be responsible for ensuring that our Products are always used only for the purposes for which they are designed, especially when incorporating them into other more complex articles. In no event shall the customer be entitled to pay a lower price for the Products on account of alleged non-conformities and/or defects, without our prior written consent. In no event may we be held liable, whether pursuant to the product warranty or otherwise, for normal wear and tear of the Products, or defects or shortfalls in quality arising, in whole or in part, from improper warehousing or use. The product warranty shall not apply if the Products have been subjected to any kind of change or modification by the customer and/or third parties. The product warranty shall be considered suspended in the event the customer fails to comply with the applicable payment terms. Save where otherwise specified, the product warranty may not be invoked upon expiry of 12 (twelve) months following delivery of the Products. The product warranty shall not apply in the case where the Products ordered are to be subjected to modifications in departure from the initial technical-production specifications, in order to ensure compliance with national or community regulations. Any and all other express or implicit forms of warranty, quite like all other obligations and/or liability in respect of direct, indirect, incidental or consequential damages, are expressly excluded and waived up to the full extent permitted under law.

### 8. TECHNICAL NOTES

We reserve the right to improve/modify our Products and the related technical specifications, albeit without any reduction in guaranteed product performance levels, especially with a view to ensuring compliance with European Union Directives on Environmental Protection which subject packaging to specific design and production requirements. Save where expressly established otherwise in writing between the Parties, application shall always be made of the technical specifications set forth in the technical documentation published on our website [www.karton.it](http://www.karton.it). or sent directly to the customer.

**9. CONFIDENTIALITY OF PERSONAL DATA:** By accepting these general sale terms, the customer authorises us to process its personal data pursuant to applicable statutory provisions.

**10. JURISDICTION: 10.1** These general sale terms are regulated under the **laws of Italy**, with the express preclusion of the applicability of the Vienna Convention of 11 April 1980 on contracts for the international sale of goods. The **courts of Pordenone**, Italy, shall be invested with sole jurisdiction over any and all disputes that may arise between the parties in respect of sales regulated pursuant to these general sale terms. Without prejudice to the above, we reserve the right to seek redress before the courts with jurisdiction over the customer's place of incorporation, business or residence, at our sole discretion. **10.2** Tolerance of breaches of any of the foregoing provisions may in no event be construed as entailing estoppel from seeking strict enforcement of the same, or otherwise waiver or forfeiture of any related rights. Should one or more of the foregoing provisions be set aside as null and void, or otherwise be held invalid, illegal or unenforceable for any reason or cause whatsoever, such nullity, invalidity, illegality or unenforceability as the case may be, shall not be deemed to affect the other provisions of these general sale terms, unless the provision or provisions held to be null and void or invalid, illegal or unenforceable played an essential or decisive role in determining the contractual intention of the parties in entering into these general sale terms. The placement of an order implies unconditional approval, within the meaning of articles 1341 and 1342 of the Italian Civil Code, of the provisions set forth in articles 2 (expiry of the right to object to changes brought to orders pursuant to order confirmations); 3 (limitation of liability, suspension of delivery terms in the event of unforeseeable circumstances; liquidated and ascertained damages); 5.3 (interest on arrears; suspension of orders yet to be filled; deferral of complaints until payment is received); 6 (retention of proprietary title); 6.1 (forfeiture of the benefit of instalment payment terms); 6.2 (liquidated and ascertained damages); 7.2 (final deadline for the filing of complaints); 7.2 (deadline for reporting defects, limitation of liability); 10 (election of jurisdiction).