

# SALES TERMS & CONDITIONS

AL7 Meipa Srl general sale terms and conditions

1. **OVERALL** The general sale terms and conditions specified below ("General Sale Terms and Conditions"), are an integrated part of the order and/or order confirmation regarding the products and/or services ("Order" and "Order Confirmation") submitted to and supplied by AL7 Meipa S.r.l. ("Company").

Therefore the order is accepted by the company and placed by the purchaser ("Purchaser") in compliance with the General Terms which - unless otherwise agreed and undersigned by the Company - must be deemed to prevail over the various clauses and conditions referred to by the Purchaser.

2. **TRADEMARKS AND PATENTS** The Company is the sole owner, or licensee in force of regular contracts, of all the rights of industrial property relative to the trademarks placed on the products constituting the object of the Order ("Products") and of all the patents in force of which the Products have been manufactured. The Purchaser is in no way authorized to remove the trademarks of the Company from the Products, to replace them with other trademarks nor to add trademarks and/or other distinctive signs other than those owned by the Company.

3. **PRODUCTS OWNERSHIP** The ownership of the Products, even after supply has taken place, resides with the Company until the aforementioned company account has been settled by the Purchaser the entire payment of all the invoices relative to the Products delivered to the purchaser according to that provided for by art. 6 shown below.

4. **PRICES** Prices are those specified in the Order or, if different, those specified by the Company in the Order Confirmation which are set based on the costs relative to materials, manufacturing or any other cost known to the Company on the date of the Order Confirmation. Should the Company decide to increase prices owing to increases reCORDSd in such costs following that date, the Company will have to notify the Purchaser of the new prices, by registered letter or in writing, within 15 (fifteen) days after the date of the Order or, if subsequent, of the Order Confirmation. In this case, the new price will be deemed constituting the price of the Order, namely of the part of the order to be processed. If the new Price exceeds the previous one by over 10%, the Purchaser will be entitled to cancel the Order, namely the part of it still unprocessed by notifying such decision to the Company by written notice, possibly by registered letter, ahead of the Products shipment and, in any case, within and not later than 14 (fourteen) days after the date of forwarding of the price increase notice. Unless agreed otherwise in writing, the prices quoted by the Company are expressed in Euro and do not cover freight charges, insurance, loading and unloading of the Products and VAT or any other taxation, levies or duties and are ex works of the Company and delivered in standard packing.

5. **PACKING, FREIGHT AND INSURANCE - RISKS CHARGES** Charges for standard packing of the Products are met by the company, while charges for special packing (e.g. pallets or wooden crates in case of shipment) are charged to the Purchaser.

Freight charges of the Products through the forwarding company chosen by the Company and advanced by the same will be charged to the Purchaser in the invoice unless otherwise agreed. The Purchaser is also bound to pay to the Company an extra amount on the total amount of the Products specified in the invoice to meet with the expenses faced by the latter for insurance purposes. Freight charges of the Products are charged to the Purchaser who, within 3 (three) days after receipt, must inform the Company about any defect, damage, theft, shortage and delays occurred during the transport in order for the latter to file a complaint and formulate the necessary actions against either the forwarding company or the insurance company.

6. **PAYMENT TERMS** The price of the Products will have to be paid by the Purchaser to the Company within the deadline indicated in the sale invoices issued by the latter. 14 (fourteen) days having elapsed from the date of payment, the Company will be empowered to issue a sight draft to obtain the due amount alongside the interests for delayed payment which amounts to that provided for by art. 5 of the decree 9.10.2002 no. 231. The company reserves the right to claim damages, if any.

7. **BREACH OF THE PURCHASER** The Purchaser who does not settle the payment within the agreed terms, will be held in default albeit he/she will not have received any default notice. In the case of default by the Purchaser to pay the purchase price of the Products to the Company, according to what provided for by the art. 6 mentioned above, the Company reserves the right to cancel the Orders entirely or partly or to suspend delivery of the outgoing Products bound to the Purchaser's warehouse, even without issuing a default or injunction notice to the Purchaser, and is subject, anyway, to compensation for damage.

Should the Order refer to more deliveries, with regard to which the Company has issued more invoices, the delayed payment from the Purchaser - even if by one day only - of such invoices - or even one of them only - authorizes the Company to suspend finally later deliveries of the Products. In addition the Company will also be entitled to cancel an Order or to suspend partly or entirely the supply of the Products to the Purchaser, should a change in the financial and economic conditions of the same occur, such that his/her solvency guarantee is reduced. If the Purchaser is declared bankrupt, declares shutting down or ceases anyway to exist, or undergoes restraint or seizure of his/her property, the Company will be entitled to delay or cancel future deliveries, if any, and/or to back out of any contract without losing the right to be paid the full purchase price of the Products. The credit collection charges faced by the Company - both during the course of court proceedings and out of Court proceedings - including the fees charged by the Italian Lawyers, set by the Ordine degli Avvocati (Association of Italian Lawyers), will be charged entirely to the Purchaser. The Purchaser will not be entitled to withhold or compensate any payment by an alleged credit towards the Company.

8. **SITE OF DELIVERY OF THE PRODUCTS** The site of delivery of the Products is the factory of the company, based in Italy at San Giorgio di Piano (BO), Via Poggiorenatico, 1/3 ("Factory").

9. **PRODUCTS DELIVERY TERMS** Whereas the delivery of the Products is subordinate to the availability of the same at the Factory, the Company will do everything in its capacity to deliver the Products within the delivery terms agreed in the Order or, if different, in the Order Confirmation. Such terms, however, are approximate and not imperative. In case of delay, therefore, the Company will not be liable for breach of contract. Should a given delivery term have been agreed, the Purchaser will have to allow a proper extension - in any case not less than 30 (thirty) days - in order for the Company to fulfil its obligations.

Only in case the agreed extension timeframe should be exceeded, will the Company be liable for breach of contract. Unless agreed otherwise in writing, the Company is entitled to carry out the delivery of the Products in instalments.

10. **FORCE MAJEURE** Should the Company be faced with the impossibility to carry out the delivery within the agreed terms, due to circumstances beyond its control such as, by way of illustration and not exhaustive: war, governmental restrictions, strikes or lockouts, work force demonstrations or other general or local events; fire, floods, explosions, natural catastrophes, or any other acts of God owing to which the Products have been damaged and/or destroyed or any event which, be that as it may, may cause problems to the Company in terms of manufacturing, delivery or supply of the Products, the Company, without obligation to provide explanations to the Purchaser, will be entitled to cancel all and/or part of the Order, while doing everything in its capacity to inform the Purchaser as soon as possible. It remains that, in these cases, the Purchaser will not be entitled to require any reimbursement from the Company as compensation for the damage, if any, suffered by the Purchaser and/or by third parties owing to the cancellation of the Order by the Company.

11. **ORDER VARIATIONS, CHANGES AND CANCELLATIONS** The Order of the Products is irrevocably confirmed by the Purchaser. Barring what provided for by the art. 4 aforementioned, any changes or cancellations of the Order from the Purchaser and expressly authorized by the Company, will have to be communicated in writing to the latter by registered letter within, and at the latest, 10 (ten) days after the date of issuing of the Order.

12. **NON COLLECTION OF THE PRODUCTS FROM THE PURCHASER** Should the Purchaser not collect the purchased Products delivered to destination, the Company will be entitled, at its own discretion, to: (I) demand the settlement of the payment and leave the Products at the Purchaser's disposal; (II) proceed to the sale of the Products to third parties, without amendments or any other sort of measures having to be taken by the Legal Authorities.

It remains that any stoppage dues arising from the non collection of the goods at the forwarding company, handling and freight charges applying to the Products are charged to the Purchaser. Should the Purchaser have difficulty in accepting the delivery for a period of time longer than 14 (fourteen) days, the Company will be entitled to back out of the contract. In any case, it is agreed that the Company is fully entitled to compensation for the damage suffered.

13. **PRODUCTS WARRANTY AND COMPLAINTS** All the Products supplied by the Company are guaranteed against production faults provided they are handled in compliance with correct procedures. The Purchaser is obliged to inspect the goods delivered upon receipt of the same. Complaints, if any, about Product faults are to be communicated to the Company by means of registered letter - or anyway in writing - : (I) in case of manifest faults, within and not later than 5 (five) days after receipt of the Products; (II) in case of hidden faults, within and not later than 8 (eight) days after ascertaining the fault and, however, not later than 30 (thirty) days after delivery of the Products. The above being stated, no complaint can be made unless judicially exerted by way of action or plea, within 3 (three) months after receipt of the single batches of Products. However complaints are to be provided with all the evidence necessary to their documentation. Inadequate information in this regard might cause delays to the Company to settle the complaint. It is agreed that, should this be the case, the Company will not be liable for such delays. Complaints regarding Products having been cut, used and/or processed after the delivery, will be rejected, except when faults other than production faults could not be detected before the processing of the goods. Complaints regarding the processing expenses of the delivered goods will be rejected. Differences of the Products from what specified in the Order or, if different, in the Order Confirmation with reference to quality, quantity, width, colours, finishes, size and the like, which stand for variations commonly accepted in the commercial practice or technically inevitable, will not be considered valid reasons for lodging complaints. The Purchaser is not entitled to give back the Products or refuse the delivery unless through written authorization of the Company. Being agreed that, in no way, will the complaints authorize the Purchaser to suspend or delay the payment of the invoices relative to the Products. Should the grounds of the complaint be conventionally or legally acknowledged and should it not be settled with the Company granting a discount on the purchase price of the Products, the Purchaser will be entitled to ask the Company to be reimbursed exclusively the price of all the defective Products as per the relative invoice. The Company will be entitled to choose, at its own discretion and upon return of the defective Products, whether (I) to replace the Products with other flawless Products or (II) to reimburse to the Purchaser the price paid by the latter for the defective Products. Being agreed, in any case, that the Purchaser will waive any claim of reimbursement for any direct or consequential damage that might arise. The Purchaser will further have to protect the Company against any possible complaint from third parties regarding goods or services supplied by the Company.

14. **RETURNED GOODS** In no way will the Purchaser be entitled to return the Products purchased and duly delivered by the Company, without written authorization of the Company. Should such authorization be granted, the Purchaser, however, will have to specify the goods return authorization number provided by the Company in the forwarding note, upon express request of the Purchaser. The Products returned will have to be intact and in perfect conditions. Should the Products turn out damaged, the Company reserves the right, in its sole discretion, to: (I) reject the return of the Products; or (II) to charge the Purchaser with the cost of the Products and/or of all the steps required to their fixing. Forwarding of the returned goods will have to be free port at the Factory.

15. **GOVERNING LAW AND PLACE OF JURISDICTION** All the contracts executed by the Company will be governed by the laws in force in Italy except for the Vienna Convention on International Trade. For all disputes that should arise with regard to the contracts executed by the Company, in the first instance the Court of Bologna, Italy, will be the sole place of jurisdiction, being agreed that the Company is entitled to take legal measures against the Purchaser before the competent Court of the place of residence of the Purchaser or before any other competent Court.

**AL7-Meipa Srl**

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