

General Terms and Conditions

PreZero Polymers Italy S.P.A.



1. VALIDITY OF THE GENERAL TERMS AND CONDITIONS (GTC)

These general terms and conditions apply to all contracts, supplies and any other services. The purchaser acknowledges our general terms and conditions and declares their acceptance by placing an order for the goods. Equally, the supplier of goods accepts our GTCs by making delivery of said goods. All sales, deliveries and other services are subject to these terms and conditions of business. We do not acknowledge agreements that are contrary to or deviate from our terms and conditions unless their validity has previously been agreed by us in writing. No action on our part can ever be considered an agreement to contractual terms that deviate from our terms and conditions. We may amend the general terms and conditions of business at any time, and the applicable version shall be the one valid at the time of concluding the contract.

2. QUOTES AND ORDERS

All offers by the seller are subject to change without notice. The seller shall be bound by orders and verbal agreements only and insofar as he confirms these in writing or by form, or conforms to such orders and verbal agreements by delivering and invoicing for goods. For anything not stated in the customer's order, the manufacturer's technical/qualitative standards shall hold good.

The cancellation or partial or total modification of an order is neither acceptable nor valid unless the two parties agree thereto. In any case, the customer shall be billed for the production cost occurred until the moment of the cancellation.

3. BILLING AND PAYMENT

Prices may be subject to change by the seller until 30 days prior to the agreed delivery date. In the event of a price rise, the purchaser is entitled within 14 days to withdraw from that part of the contract which has not yet been performed. The right to withdraw from a contract does not apply in the event that a price rise is based on an increase in freight tariffs. The bill will be calculated on the basis of weight upon departure. Any additional costs, such as bank charges incurred in transferring moneys in settlement of invoices, or costs incurred in redeeming shipping documents, shall be borne by the purchaser. Against claims by the seller, the purchaser may only offset or apply his right of retention if the counterclaim is undisputed or has become *res judicata*. In the event of a failure to pay on due date, or in the event that there is reason to doubt the purchaser's ability to pay or creditworthiness, the seller may - without prejudice to his other rights - demand payment in advance for deliveries that have not yet been performed and is also entitled to call in all claims based on the business relationship. In the event of the purchaser's (customer's) failure to pay on the due date we are entitled to charge interest on overdue accounts at a rate of 5% above the current prime rate. The defaulting purchaser (customer) is obliged to refund any costs incurred in making request for payment, as well as any collection and inquiry costs required to collect the debt. The prices quoted are net and apply ex warehouse. All postage and transport costs and charges are to be borne by the purchaser.

When several contracts have been concluded between the Buyer and the Seller and a controversy arises regarding the goods involved in one or more particular sales, the Buyer is not entitled to suspend payment of the other non disputed supplies. Again in the case of several contracts, if the purchaser fails to pay the price even of one single supply, the vendor can suspend the supplies under way and refuse to fulfil the other contracts, in any case, without detriment to his right to compensation for the damage.

4. DELIVERY AND ACCEPTANCE

The delivery times stated are not binding and shall apply under the provision of the delivery options available at the time. The seller's obligation to deliver is suspended for as long as the purchaser is late in making a due payment. Agreed delivery dates refer to the time at which risk is transferred to the purchaser. If the delivery date is culpably exceeded and a reasonable deadline subsequently issued by the purchaser in writing has been passed, the purchaser is entitled to the exclusion of further rights to withdraw from the contract and to make a claim for damages. However, any claims by the purchaser for damages arising from delay or non-performance are limited to the invoice value of the goods that have either not been delivered or not delivered on time, insofar as the seller does not have unlimited liability for intent or gross negligence in compliance with mandatory regulations. In the event of unforeseen operational breakdown, failure by the seller's own suppliers to keep delivery dates or to deliver, shortages in labour or in the supply of energy or raw materials, strikes, lock-outs, problems in securing transport, traffic disruptions, official decrees and cases of force majeure, the affected party shall be released from their obligation to either deliver or accept the goods for the duration of these events and in the extent of their effect. In the event that this causes a delay in delivery and/or acceptance in excess of 1 month, each of the parties shall be entitled to withdraw from the parts of the contract affected by the delayed delivery and/or acceptance to the exclusion of all further claims.

5. DISPATCH

Mode and route of transport will be determined by the seller. The seller will do everything possible to take account of the purchaser's wishes, but any additional costs arising from this shall be borne by the purchaser.

6. RISK OF LOSS

If not otherwise agreed the risk passes completely to the purchaser when the goods have been dispatched from the supply works or handed over to the carrier, or - in the event that the purchaser is in default of acceptance - when the seller is ready to dispatch and/or deliver.

7. NOTICE OF DEFECTS

The purchaser must examine the delivered goods without delay and must immediately check for any defects. If this examination is either not executed, not executed to the extent necessary, or if visible defects are not reported to the seller immediately or within a maximum of 5 days of receipt of the goods then, as regards such defects, the goods shall be considered to have been accepted. Notice of defects that are not visible on receipt of the goods must also be given as soon as they are discovered. Complaints must be made in writing, and must include the ordering data, invoice and dispatch number as well as a detailed description of the claimed defects. Rejected goods may only be returned with the seller's specific prior agreement. In the event that notices of defects have been duly raised and substantiated the seller shall be obliged to choose between granting a price reduction, rectifying the defect, exchanging the goods or taking back the goods and refunding the purchase price while taking the purchaser's interests into consideration. In the event that the seller does not meet this obligation the purchaser can decide between these rights. Any other claims by the purchaser shall be excluded insofar as this is legally permissible. Goods subject to complaint by the Buyer shall be kept available for Seller inspection for 30 days from the date of complaint, without prejudice to Buyer's obligation to provide rigorous proof of its complaints. Goods subject to complaint cannot be returned to the Seller without its written approval.

In any case the Seller shall be liable only for and limited to the value of the goods delivered and subject to complaint. This applies in particular to claims for damages that have not directly affected the goods themselves. The guarantee shall not apply in the event that the goods offered have been expressly specified as being of inferior quality (not grade A quality) unless the goods delivered deviate from the agreed, inferior quality.

Any claims for damages of all kinds, which were caused by improper handling, storage or change of the goods or due to incorrect advising or instructions provided by the buyer shall be excluded. The goods shall be stored by the Buyer in an appropriate place, indoors and protected from the weather.

8. LIABILITY, CANCELLATION

The purchaser may only claim for damages or withdraw from the contract in those cases and in the amounts specified within these terms and conditions. Any additional liability by the seller - for whatever cause in law, even if arising from a violation of ancillary obligations of the contract or in tort - is excluded unless the seller has unlimited liability in accordance with mandatory statutory regulations.

9. RESERVATION OF OWNERSHIP

Our goods will only then become the property of the purchaser when he has met all the obligations incumbent on him as a result of our mutual business relations. In the event that the reserved goods are processed we shall obtain joint ownership of the resultant products proportionate to the invoice value of the reserved property up to the sum of the purchaser's expenses for processing and for other items processed at the same time. We are entitled to obtain sole possession of the new products against reimbursement of these expenses.

10. INCOTERMS AND BISFA RULES

In addition to these terms and conditions, the versions of the 'Incoterms' published by the International Chamber of Commerce in Paris and the BISFA rules issued by the International Association of Man-Made Fibre Producers in Basel applicable at the time of execution of this order, shall also apply.

11. APPLICABLE LAW AND PLACE OF JURISDICTION

The place of payment and performance shall be the residence of our company. All existing legal relationships between our company and our contractual partners are subject to the Republic of Italy's substantive law to the exclusion of the UN Convention on Contracts for the International Sale of Goods. The court in 31100 Treviso - Italy with jurisdiction as regards the subject matter is agreed as the exclusive place of jurisdiction for all disputes.