



## **EXTRACT OF GENERAL TERMS OF SUPPLY**

### **General Notes**

The following “Extract of General Terms of Supply”, hereafter also “general terms of supply”, is understood to be valid and applicable in all of Cleaf’s commercial practices, in the case of sale or administration of the Product, and, in any case, for all Products sold by Cleaf. The “general terms of supply” are prepared in compliance with existing regulations and constitute the legal basis for every contract entered into by Cleaf except where, in specific orders and agreements, they are expressly derogated in writing. The “general terms of supply” shall prevail over any of the Customer’s purchase terms and constitute an essential part of the supply contract implemented by Cleaf in favour of the Customer. The “general terms of supply” set out below therefore concern all contracts and all orders implemented even if not expressly confirmed by the Customer. The “general terms of supply”, in any case, are understood to be accepted automatically by the Customer when the Product is first made available.

### **Elements of the Contract**

The following documents are an integral part of the contract entered into by Cleaf: 1) the “general terms of supply” which are, in any case, understood to be applicable and accepted irrevocably and definitively by the Customer, once the Product has first been made available, irrespective of the express written acceptance by the Customer; 2) the special terms expressly indicated and accepted by Cleaf 3) the order confirmation; 4) every technical document, study, report sent for any reason by Cleaf to the Customer; 5) the delivery note 6) the pro-forma; 7) the invoice.

### **Orders and formalisation of contract**

Order means any document containing identification elements of the supply to be made, such as quantity, product type and price. The order is understood to be transformed into a finalised contract, even in the absence of express acceptance by the Customer or order confirmation by Cleaf, at the time of implementation of the first supply and when 10 calendar days have elapsed since the transmission, to the Customer, of the pro-forma or the invoice. Implementation of the supply means the Product being made available to the Customer. Any request for amendment to the Contract made by the Customer shall be subject to express acceptance by Cleaf. Similarly, Cleaf reserves the right not to accept orders or to indicate, in the case of use of the Product for non-“standard” conditions, the delivery timescales; all subject, in any case, to the applicability of the “general terms of supply”.

The relationship between Cleaf and the Customer may also be regulated by an “open” or “planned” order. Open order means that which, have established the Product type and the unit price of the same, in general, indicates the quantities of Product estimated as consumable by the Customer in the period of time expressly indicated and agreed between Cleaf and the Customer (week/month/year) without, however, the quantities and delivery timescales being considered binding for the Customer. “Planned” order means that which, having established the Product type and the unit price of the same, indicates a minimum and a maximum quantity of Product to be delivered in accordance with a set programme. Every open or planned order shall have the equivalent value, in the agreed timescales, of a closed order which, accepted by Cleaf, must expressly provide the quantities of Product and the delivery timescales of the same to the Customer. The “open” or “planned” order is understood, in any case, to be equivalent to a “closed” order once 10 days have elapsed from Cleaf sending the pro-forma or the invoice. Cleaf’s liability in the presence of an open or planned order is understood to be limited, as to time, to the maximum duration indicated for the delivery and, in relation to quantities, to the average volume stated by the Customer. Cleaf will not be obliged to guarantee the supply of additional quantities of Product or more burdensome delivery timescales. The Customer may ask to change the content of open or planned orders and Cleaf will make all its best efforts to satisfy the request made by the Customer. Cleaf, in the event of a request to change an open or



planned order, may communicate to the Customer the price difference of the Product: that change will be understood to be accepted by the Customer starting from the first delivery of the Product after the request to change the order. In no case, except in the event of force majeure, may the Customer cancel the closed order or reduce below the minimum quantities open or planned orders. Where the Customer intends to proceed in that sense, it must provide its request in writing to Cleaf which may accept or refuse the request made or indicate, to the Customer, the cost for acceptance. The cancellation or reduction of the quantities of open or planned orders is understood to be binding in the case of its express written acceptance by Cleaf. Failing that, the Customer will be obliged to collect and pay for the Product in accordance with what has been agreed and in accordance with the minimum quantities indicated or agreed in the open or planned order. In indicating the cost for cancellation or reduction of the open or planned order below the minimums, Cleaf may charge to the Customer all direct or indirect costs, charges incurred and being incurred for procurement even of raw materials or provisions not otherwise useable, specific and other equipment, handling, research and design costs.

### **Designs – requirements – equipment**

All documents, designs, estimates, technical reports, evaluations, offers, analyses and any other data or document that, in any capacity, the Customer and Cleaf exchange prior to or during implementation of the order are understood to be sent only for the specific use for which they are intended without the transmission involving transfers of ownership, rights of use or licence or acceptance of any commitment by Cleaf. The Customer acknowledges the exclusive ownership of what is received from Cleaf as an element constituting the know-how of Cleaf, and for which any right of use or licence must be understood to be excluded. The equipment, even where constructed with the Customer's contribution, will always remain under the exclusive availability of Cleaf without the contribution constituting a licence to use or right of use for the Customer.

### **Characteristics and condition of ordered Products**

The Supplier undertakes to supply the Product in a manner consistent with the technical specifications agreed with the Customer. The Customer will be solely liable for use of the Product. Where the Customer intends to use the Product for a particular use, it must notify this to Cleaf which will indicate in writing its willingness and the supply terms for creating the Product intended for a special use. Having received confirmation of the approval of Cleaf, the Customer shall confirm the order which, in the absence of confirmation, will be understood to be suspended. No liability may ever be attributed to Cleaf for unauthorised, incorrect use of the Product or that which is different from agreed or from the "standard". The delivery of the Product to the Customer will constitute final acceptance of the same, and irrevocable confirmation that the Product corresponds to its requirements and is suitable for the use and intended use indicated. The Customer accepts, waiving the right to make any claim, that the quantities indicated by Cleaf are always understood to be expressed with an allowance of +/- 10%. The Customer undertakes to accept partial supplies of the Product supplied.

### **Product Packaging**

Cleaf shall supply the Product packaged in compliance with existing regulations in relation to safety. The Customer expressly declares to be aware of the "standard" used for packaging by Cleaf and to deem it suitable to its requirements for the purposes of transportation, deposit and storage and handling. The Customer will be solely liable for the correct deposit and storage of the Product, activities that will be implemented in a manner so as to allow for the correct conservation of the technical and functional characteristics of the Product supplied.

### **Intellectual property rights – confidentiality clauses**

Cleaf and the Customer, during the supply relationship and for 5 years after its conclusion, will



be required strictly to respect the confidentiality and secrecy of all documents, data, characteristics, technical information, designs, reports of which, on the occasion of implementing the relationship, they have reciprocally learned. The Customer acknowledges that anything received from Cleaf during the relationship shall be understood to be the exclusive know-how under the ownership of Cleaf with express exclusion of any right to use or licence for what has been learned. Similarly, the Customer undertakes to indemnify Cleaf for any consequence that might derive for the same, in any capacity, on the occasion of use by Cleaf of what is received in any capacity from the Customer.

### **Delivery – transportation – insurance and customs charges**

Cleaf will be required to respect the delivery timescales agreed with the Customer. In no case, however, may the delivery date be deemed to be mandatory and binding for the correct implementation of the order. The Customer irrevocably waives the right to make any claim for damages or to request the termination of the contract in cases of failure to respect the delivery timescale of the Product. Unless otherwise agreed, and subject to what is indicated below, the delivery of the Product will be made “ex works” at the plant indicated by Cleaf. At the time of delivery, all risks and responsibilities relating to the Product will be transferred to the Customer. The Customer shall collect the Product within 10 days from notification of availability of the goods. Failing that, Cleaf may charge to the Customer the costs incurred, destroy the Product, terminate the contract and deem any obligation of exclusivity for the decorations of the Customer no longer to be in place.

Cleaf may suspend, at any time, the deliveries, in the case of non-payment of the Product in the agreed timescales. Similarly, in the event of non-fulfilment by the Customer, Cleaf may deem the contract in place to be terminated and the right of exclusivity of the decorations, which may have been granted to the Customer, no longer to be in place.

The transportation will be made, unless otherwise agreed, at the care, expense and risk of the Customer which must, if deemed necessary, and at its exclusive liability, insure the Product during transportation. Cleaf will not be obliged to insure the Product irrespective of the agreed delivery methods. The Customer shall exclusively bear any cost of customs clearance and freight, customs charges and costs of deposit at destination.

### **Check of quantities and disputes**

The Customer shall check the conformity of the Product and quantities supplied as soon as the delivery is made: all under penalty of forfeiture. Any dispute must be noted on the consignment docket, way bill or transportation document and immediately sent to Cleaf.

The Customer, in cases of alleged existence of Product defects shall, under penalty of forfeiture, within 10 calendar days from the delivery, dispute the Product supplied, sending to Cleaf an appropriate written communication highlighting the defects or faults, the analyses and verifications performed and any other information (batch, delivery date, etc.) useful or requested by Cleaf with a view to identifying the Product. The Customer, if requested by Cleaf, must return, at its own care and expense, the Product subject to dispute. Cleaf, at its sole discretion, and without this constituting any acknowledgement of liability, may repair the Product, sending it back to the Customer. Where Cleaf does not identify the presence of defects or faults, the Product will be sent back to the Customer at its expense. Cleaf, however, may, at its own discretion, and without this constituting any acknowledgement of liability whatsoever, proceed to replace the disputed Product, sending it back to the Customer. Where the Customer, with reference to the Product, does not highlight to Cleaf the presence of clear defects or faults and uses, works, assembles or sells the Product to third parties, it will lose the right to the repair, replacement and guarantee over the same. In no case may the Customer suspend payment for the Product even if subject to dispute. The Customer may not, for any reason, autonomously perform or have performed by third parties processes or interventions on the Product. In that case, the Product will no longer be guaranteed, nor may any charge of liability be made against Cleaf. Where the Customer, in the presence of defects or faults, decides not to inform Cleaf of the same and uses, assembles or sells the Product to third parties, it will lose any right to the



replacement, repair and the guarantee.

In any case, unless otherwise agreed, the Customer will be responsible, if still present at the same, for the disassembly even at third parties, storage and disposal of the Product subject to dispute even if accepted by Cleaf.

#### **Guarantee – duration**

Cleaf is required to deliver the Product in full compliance with all existing regulations and in conformity with the order. Cleaf, unless otherwise agreed, guarantees the Product supplied for a period of six months from notification that the goods are ready for delivery, or from the “ex-works” delivery; the Customer accepts, even in derogation of existing laws, that the start date of the guarantee corresponds to the delivery date. The guarantee will be effective only in the case of correct use of the Product, and when the disputed defect is not, even indirectly, attributable to the Customer or the end user.

#### **Acceptance**

Once the term of 10 days has elapsed from the delivery, and in the absence of disputes, the Product supplied will be understood to be definitively accepted and the Customer forfeited from the possibility of making any claim. In no case after acceptance will Cleaf be required to replace or repair the Product supplied.

#### **Conditions for changing the prices of the product**

Cleaf may change the prices of the Product even after acceptance of the order, with the sole obligation of informing the Customer of the decision made. The new price will be binding for the Customer commencing from the first delivery after the communication. Cleaf, where exceptional events occur, which make the implementation of the contract particularly burdensome, may withdraw from the contract, cancel the order or the programme without the Customer being able to make any claims of any nature, request for reimbursement or damages.

#### **Causes of force majeure**

Cleaf may suspend its obligations of supply and in any case the contractual commitments with the Customer in any case of Force Majeure or in the event of unavailability of the Product. Cleaf may invoke the Force Majeure even in all cases where the performance becomes particularly burdensome or impossible. In no case may the Customer invoke Force Majeure to suspend payments of the supplies.

#### **Definition of prices**

Cleaf will indicate the prices of the Product in the order confirmation sent to the Customer. Unless otherwise agreed, the prices are understood to be net of any tax, rate or disbursement and, in any case, “ex works” and expressed in Euro.

Payments – Changes to the financial situation of the Customer – credits of the Customer.

The payment of the supplies must occur at the domicile of Cleaf, unless otherwise agreed, in advance.

In the event of non-payment or delayed payment of the Product, interest will accrue in favour of Cleaf as set out in Italian Legislative Decree no. 231/2002 on a pro rata basis with reference to the delay. Cleaf is authorised to issue an invoice for interest and to send it to the Customer. The invoice will include the costs that Cleaf has incurred for that activity. The Customer must immediately proceed to pay what is due.

Cleaf, where there are doubts about the solvency of the Customer, in the case of subjection of the same to any insolvency proceedings, arrangement with creditors, even in continuity, or in the case of a change to the organisational or corporate structure of the Customer, may, at its sole discretion, suspend the supplies in place, revoking any exclusivity for the decorations of the



Customer.

The Customer may not, for any reason or cause, issue, without the consent of Cleaf, debit notes or invoices for credits owed to it or, in any case, charge to Cleaf sums for which the latter has not, expressly or in writing, acknowledged to be the debtor. The Customer may not, in any case, without written authorisation, offset or retain sums due to Cleaf. Cleaf may, even in derogation of what is indicated by the Customer, allocate the payments, firstly to satisfying the invoices issued for interest accrued as a consequence of a delay in payments received, then to costs and finally to the price.

### **Retention of Title**

The Product is always supplied with the “Retention of Title” formula, such that the Product will remain the property of Cleaf until the payment of every debt. The Customer will implement every necessary measure to protect and safeguard the aforementioned right and will be liable for any consequence that might derive to the Product itself. The retention of title does not imply a derogation of what is provided in relation to transfer of risk and responsibility for transportation and custody of the Product itself.

### **Liability**

Cleaf may not be liable for defects of the Product when these are attributable to: 1) non-compliant, non-permitted, anomalous, atypical or special use; 2) improper storage, transportation, conservation or handling of the Product; 3) normal wear of the Product or deterioration of the same; 4) lack of compliance with recommendations, indications or suggestions of Cleaf in relation to maintenance, conservation of use of the Product itself.

### **Limits of liability**

The liability of Cleaf, in the case of defects acknowledged by the same, as exclusively attributable to the Product, will be limited only to direct damages caused to things or persons of the Customer or used by the same. Any liability for indirect damages from loss of image, loss of income, loss of earnings, loss of business, of profit, shutdown even of third parties or in any case as an indirect consequence of the supply is expressly excluded. In no case will Cleaf be liable for damages that the Product may have caused to third parties once the Product is assembled, sold autonomously or jointly with the product of the Customer. Any liability for Cleaf is excluded in cases of infringement of property rights of third parties. The limit of liability for Cleaf is, in any case, fixed, as a maximum, at the value of the Product found to be defective. No other sum, for any reason, may be claimed by the Customer which, with delivery of the Product, irrevocably accepts the limitation of liability and, again irrevocably, waives the right to bring any action, even precautionary or of urgency, aimed at claiming compensation or additional damages with respect to what is agreed in this Extract of the “General Terms of Supply” whose full version, which the Customer accepts with the first delivery of the Product and, in any case which constitutes an integral part of the Contract with the Customer, is available on the website [www.cleaf.it](http://www.cleaf.it).

### **Jurisdiction and Court with Jurisdiction**

The contract with the Customer and its implementation will always be regulated by Italian law, with the exclusion of any validity or applicability, at the request of the Customer, of foreign jurisdictions. The Court with exclusive jurisdiction for the settlement of any dispute concerning the relationship between Cleaf and the Customer or that, for any reason or cause, is connected to or consequent to the supply, is instituted, subject to what is stated below, irrevocably, in Monza. The right remains, exclusively for Cleaf, to establish the case differently, with regard to jurisdiction and with reference to the responsible Court, even on a precautionary basis, to protect its rights of credit or those consequent to the supply.