GENERAL SALES TERMS AND CONDITIONS

1. General principles and scope of application

1.1 Unless otherwise agreed in writing, these General Sales Terms and Conditions ("TCG"), rule Tessiture Pietro Radici S.p.A.'s sales ("Seller") of a product and/or the services relative to this product ("Product(s)" as a whole). **The applicability of the Purchaser's purchase terms and conditions is excluded.**

1.2 The definitions used in TCG will have the following meanings:
"Seller": Tessiture Pietro Radici S.p.A.
"Purchaser": the opposing party in the Sales Contract
"Party": Seller or Purchaser
"Parties": Seller and Purchaser together
"Product(s)": asset(s) and/or service(s) relative to the scope of the supply
"Contract": The order confirmation, TCG and any other term and condition the Parties may have agreed and undersigned.
"Confirmation Order": the Seller's written confirmation to the Purchaser for the supply of a Product.

1.3 The Seller reserves the right to modify and/or vary these TCG by attaching such modification or variation to the offers or to any correspondence it may send to the Purchaser in writing. Such modification and variation are understood to be accepted by the Purchaser if it should fail to raise any objection in the 15 (fifteen) days after the receipt or in the immediately following correspondence.

2. Contract execution

2.1 The Contract is understood to have been executed as soon as the Purchaser should come to know about the Order Confirmation or anyway at the time of the Product delivery by the Seller.

2.2 The offers issued by the Seller's agents, representatives and trade assistants are not binding for it until they are confirmed by the latter.

2.3 Orders, and/or any change made to them either orally or by phone shall be confirmed by the Purchaser in writing not later than 2 (two) successive working days.

2.4 This order confirmation and the related general terms and conditions of sale are to be considered fully accepted within two days of receipt of the confirmation, unless you provide written communications.

3 Technical documentation and samples

3.1 The Purchaser declares that it has directly negotiated with the Seller for every single Contract and that it has received proper information on the technical, structural and commercial features of the Product.

3.2 The Parties agree that the features, prices, weights, colours, yields and the other data supplied by the Seller's catalogues, price lists or other documents as well as the samples sent to the Purchaser have a merely indicative and approximate value and they are not binding, unless to the extent they have been explicitly mentioned as such in the Seller's offer or Order Confirmation.

4. Packaging

4.1 Where necessary, the Seller will specify the list and quantity of the package materials – such as wooden or plastic dividers, pallets – that are and remain its property in the invoice or in any other document attached thereto. These materials are granted to the Purchaser on a free and temporary basis and they shall be returned to the Seller, in compliance with art. 1809 of the Civil Code, not later than 90 (ninety) days after the delivery of the products (120 (one hundred and twenty) days for deliveries by sea). Package materials shall be returned according to the terms agreed and specified by the Order Confirmation.

4.2 The failure to return the package materials according to the terms agreed upon or the return of any damaged material will oblige the Purchaser to reimburse the price of a new package material to the Seller, who is from now on authorised to issue the corresponding debit note.

5. Delivery and risk transfer

5.1 Unless otherwise agreed and specified in the Order Confirmation or in the invoice, the Product is delivered Ex the Seller's Works. The reference to any commercial term (EXW, FCA, FOB, CIF, etc.) is in compliance with Incoterms 2020 provisions.

5.2 Unless otherwise established by the Parties, delivery terms are not essential and the Seller is entitled to put them off to a reasonable extent. The Seller will do its own best to deliver the Products within the terms agreed.

5.3 The Seller will be entitled to partial deliveries, i.e. to deliver first the Product already made available and then the residual quantity thereof as it is made available from time to time. The partial non-availability of a Product will represent no reason for the cancellation of the Contract, which remains valid for its executable part.

5.4 The Purchaser is always bound to take charge of the Product, even in case of partial deliveries and even when the Product is delivered before the established delivery date or thereafter. If the Purchaser should fail to take charge of the Product, the Seller can: a) store the Product at the Purchaser's risk, danger and expenses; b) ship the goods in the Purchaser's name, for its account and at its expenses to the Purchaser's head office; c) sell the Product for the Purchaser's account by any means whatsoever by keeping back the whole price due and all borne expenses from the proceeds, without prejudice to any further damage the Seller may suffer.

5.5 The risks relative to the supply are transferred to the Purchaser not later than the time at which the Product leaves the Seller's works, unless an earlier term is established by applicable commercial terms or rules. If the Purchaser should fail to take charge of the Product on the established date for a reason other than the Seller's fault or fraud, - if the risk has not been transferred yet in compliance with the previous paragraph, the risks will be anyway transferred to the Purchaser not later than the delivery date agreed.

6 Weights, prices and payments

6.1 The Product prices shall be understood as Ex the Seller's Works, unless otherwise agreed in the Order Confirmation.

6.2 Tessiture Pietro Radici reserves the right to revise prices prior to delivery in response to changes, including but not limited to, duties, taxes, inflation, and costs relating to energy, utilities, raw materials and transportation, as well as any regulations concerning CO_2 emissions or other governmental measures affecting the sale of the products.

6.3 The payments and any other amount due to the Seller on any account whatsoever are understood as net at the domicile of the latter. Payments shall be made on the terms and at the expiry date(s) agreed by the Parties and specified by the Order Confirmation. Failing any other agreement in writing, the payment is due not later than 30 (thirty) days after the delivery date.

6.4 Extended payments will be agreed up to a maximum exposure the Seller will define with each Purchaser from time to time. As soon as this credit limit is reached, the Contracts will be fulfilled only if a payment is made in advance or guaranteed in any other way. Any payment made to the Seller's agents, representatives or trade assistants are not considered as made until the relative amounts are transferred to the Seller.

6.5 Every single payment not made cash will be understood as made "with recourse". This means that there is no need for novation of these conditions. If the payments are arranged by means of bank drafts or receipts, they are always understood as authorised.

6.6 If deliveries are split up, the Seller is reserved the right to suspend deliveries in case of a delay, postponement or division into instalments of the payments for the Products already delivered as well as to cancel the Contract, even only for the part that has not been executed yet by means of a simple notice in writing, without prejudice to the right to damage compensation. The Seller is also entitled to cancel the Contract by means of a simple notice in writing or to suspend deliveries when no guarantee is properly furnished or if the Purchaser should be subject to bankruptcy proceedings. The Seller is always entitled to cancel the Contract by means of a simple notice in writing if the payment of any amount the Purchaser may due to the Seller should be made later than the 15th (fifteenth) day.

6.7 In compliance with art. 1462 of the Civil Code, the payment of the Product price may be neither avoided nor delayed by any objection, complaint and challenge the Purchaser may make.

6.8 A delay in the payment, even related to previous supplies, entitles the Seller to suspend the Contract execution until any amount due is paid as well as to modify the payment terms for the following supplies. The Purchaser will not be entitled to claim against the Seller's non-fulfilment, if any, if it is not up-to-date with its payments.

6.9 The Seller is entitled – starting from the expiry date of the payment, with no need for placing in default – to interests on arrears to the extent established according to the provisions of art. 5 of Law Decree no. 231 dated 9th October 2002.

6.10 No compensation is admitted with any credit the Purchaser may have to the Seller.

7 Warranty and complaints

7.1 The warranty is only limited to the Product defects arising out of any material or manufacture defect that may be ascribed to the Seller. It is not applicable if the Purchaser should fail to give evidence of proper storage.
Moreover, the guarantee is limited to the Product in its original, i.e. non-processed, state. The Seller will assume no guarantee for the work cycle and/or use by the Purchaser, who will autonomously decide on the basis of its own production know-how whether the Product is suitable or not for use in a well-defined process.

7.2 Upon receipt, the Purchaser will immediately inspect the Product and the relative shipment correspondence/documentation. The Purchaser shall specify any manifest defect or inconsistency with respect to the number of supplied items on the delivery document /CMR.

7.3 Any complaint about the Product weight and quality will be accepted only if sent to the Seller in writing not later than 8 (eight) days after the discovery and, any way, within the term of forfeiture of 60 (sixty) days after the date of receipt. The complaint shall be accompanied by any supporting document and, where possible, by a sample of the Product in question as well as by any further information (e.g. lot number, etc.) that may be useful for traceability.
The non-observance of the term specified by the previous paragraph will involve the unconditional acceptance of the Product and the forfeiture of any guarantee right.

The Seller may in no way be charged with the costs and/or expenses the Purchaser or any third party may support for the tests, analyses, consultancy and inspections they may carry out.

7.4 The Seller shall check all complaints within a reasonable time interval and, in case of acceptance, replace the Product. The freight charges from and to the Purchaser's head office will be charged to the Seller's account, with reference to the return of the goods that are the subject-matter of the complaint in observance of the restrictions as per Art. 9.

At its unquestionable discretion, the Seller may – as an alternative or in addition to the replacement of the Product that is the subject-matter of the complaint – indemnify the Purchaser by means of damage compensation and/or price decrease, even if in observance of the restrictions as per Art. 9.

7.5 Any guarantee of defectiveness or non-compliance is explicitly excluded for poor-quality or second-choice Products as well as for waste.

8 Responsibility restrictions

8.1 The guarantees specified by art. 8 is intended to replace the legal guarantees for defects and non-conformities and to exclude the Seller's responsibility, if any, that may arise out of the supplied Product. In particular, the Purchaser is not allowed to make any other claim for damage compensation, price decrease or Contract cancellation.

8.2 The Purchaser will lose the right of guarantee if not up-to-date with its payments.

8.3 The Seller is in no way responsible for the guarantees the Purchaser may issue to third parties, including – without being limited to it – any guarantee concerning the useful service life of Products, of the goods manufactured by means of the Products or of the goods in which the Product may be built in.

8.4 Under no circumstance is the Seller liable for any profit loss, for any other kind of economic damage, for any indirect damage arising out of or in connection with the utilisation, conditions, possession, performance, failed or delayed delivery of Products, even if the Seller has been informed of or should have come to known about such damage.

8.5 However, the Seller's liability may not exceed the value of the supplied Product.

9 Force majeure

9.1 Neither party shall be held liable for any failure or delay in the performance of its obligations, other than payment obligations, if such failure or delay is caused by circumstances beyond its reasonable control or that make performance unduly burdensome (Force Majeure). These circumstances include, without limitation, industrial disputes, strikes, lockouts, accidents, explosions, fires, sanctions, embargoes, was (whether declared or not), acts of terrorism, pandemics, shortages of materials, breakdowns of plant or machinery (except where caused by inadequate maintenance), as well as restrictions or disruptions in energy supply or transportation, or delays from suppliers. The parties also agree that this clause shall apply to any subsequent delay or non-performance resulting from the continuation or escalation of a Force Majeure event existing at the time of the sale, to the exten that such delay or non performance is attributable to that event.

10 Conditional right of domain

10.1 The Product will become the Purchaser's property only after the latter has fulfilled all the obligations arising out of its business relationship with the Seller, including additional charges, compensation for damage, payment of cheques or bills. The conditional right of domain will still persist if every single credit of the Seller should be recorded in a current account, the balance of which is calculated and acknowledged.

10.2 The Seller is authorised – with no extension and no withdrawal from the Contract – to require the Products subject to the conditional right of domain to be returned if the Purchaser should delay in fulfilling its obligations to the Seller. The collection of the Products subject to the conditional right of domain involves the withdrawal from the Contract only when this is explicitly declared in writing by the Seller. If the Seller should recede from the Contract for the whole period in which it has granted the use of an asset, it may claim for adequate consideration.

10.3 On processing the Product subject to the conditional right of domain, the Purchaser acts for the Seller's account, but it is in no way entitled to make any claim against the latter for the work cycle it may have made. The Seller's property right is extended to the goods obtained by processing the Product subject to the conditional right of domain. If the Product subject to the conditional right of domain is either processed, mixed or joined with third-party goods, the Seller will acquire the right of co-ownership on the goods obtained on the basis of the proportion between the invoice values of the Product subject to the conditional right of domain and those of third-party goods. If the Product subject to the conditional right of domain is either mixed or joined with the Purchaser's main goods, the latter will immediately grant the Seller its property rights on the new goods.

10.4 The Purchaser undertakes to carefully preserve the Product subject to the conditional right of domain as well as to provide for its maintenance and repair at its own expenses. Moreover, it shall insure it against any theft and damage at its own expenses with the ordinary diligence of a reasonable and prudent trader, thus granting any right arising out of any insurance contract to the Seller in advance.

10.5 Until it has regularly fulfilled its obligations to the Seller, the Purchaser is entitled to make use of the Product subject to the conditional right of domain within the scope of the usual corporate management. This is not applicable if it is not allowed to grant the credit relative to the purchase price upon a prior agreement made between the Purchaser and its customers. The Purchaser is not entitled to pawn the Product, to grant it as a guarantee or to tie it up any other way. In case of sale, the Purchaser shall subordinate the property transfer to the full payment of the Product by its purchaser.

10.6 As a guarantee for all the rights to the Seller by virtue of their business relationship, the Purchaser will grant the Seller, in advance, any right arising out of the sale of the Product subject to the conditional right of domain, with all additional rights and guarantees, including cheques and bills. If the Product subject to the conditional right of domain is sold together with other things at an overall price, transfer is limited to the proportional share of the Seller's invoice for the Product subject to the conditional right of domain. In case of sale of goods jointly owned by the Purchaser as per point 11.4, transfer is limited to the part of the credit corresponding to the share in the Seller's co-ownership. If the Purchaser should use the Product subject to the conditional right of domain to process third-party goods against payment, it shall grant the Seller, in advance, any right to payment to third parties as a guarantee. Until it has regularly fulfilled its obligations to pay, the Purchaser is authorised to collect the credits arising out of a further sale or the Product process on its own. On the contrary, it is not entitled to pawn or grant these credits under any circumstance whatsoever.

10.7 If the Seller should deem the fulfilment of its requirements to be compromised, the Purchaser shall make the transfer known to its own purchasers upon request and supply the Seller with all necessary documents and information. Moreover, the Purchaser shall promptly notify the Seller of any claim any third party may make against the Product subject to the conditional right of domain.

10.8 In case of insolvency, the Purchaser shall allow the Seller to re-enter into possession of the Products subject to the conditional right of domain.

11 Interpretation, amendment, null clauses

11.1 Any reference to the Seller's price lists, TCG or any other material shall be understood as made to the documents in force at the time the reference is made.

11.2 Any other amendment or addition the Parties may make to the Contracts with reference to these TCG shall be made in writing, under penalty of cancellation.

11.3 The deviation from one or more than one provision included in these TCG shall be understood neither extensively nor by analogy and it will not imply the will not to observe these TCG as a whole.

12 Privacy

12.1 The Purchaser will supply its personal data either necessary or useful for the fulfilment of contractual obligations and those required for the observance of specific regulations.

12.2 The Seller and the Purchaser will comply the personal data treatment with the provisions of the rules in force for confidentiality, including those for the compliance with safety measures.

13 Place of jurisdiction

13.1 The Court of Bergamo will be the sole place of jurisdiction for any dispute arising out of these TCG or any way connected with them. Any other competing or alternative Court is explicitly excluded by mutual consent.

14 Applicable law

14.1 The Contracts made by the Parties for the supply of Products as well as the resulting rights and duties will be ruled by the laws of the Republic of Italy only. The enforcement of the Hague convention relative to the standard law on the international sale of goods, the United Nations convention on the contracts for the international sale of goods and any other convention relative to the law applicable to the sale of goods and/or services is excluded.