

General conditions of sale P.E.I. Srl

1. SPHERE OF APPLICATION

1.1 These general conditions of sale are intended to be applied to any supply of “P.E.I.” products (hereinafter referred to as the “PRODUCTS”), except any possible change as agreed by the parties.

2. ORDERS AND DELIVERIES OF THE PRODUCTS

2.1 No order for the PRODUCTS of the BUYER shall be binding on the SELLER unless expressly accepted in writing by the SELLER, also through telematic system, upon the basis of a specific confirmation of the order (“ORDER CONFIRMATION”); in case of any difference between the order forwarded by the BUYER to the SELLER and the ORDER CONFIRMATION, the supply of the PRODUCTS shall be set forth exclusively by the provisions as of the ORDER CONFIRMATION.

2.2 The PRODUCTS shall be delivered by the SELLER to the BUYER Ex Works - SELLER’s plant at Calderara di Reno (Bologna) or another plant indicated by the SELLER within the term as provided for by the ORDER CONFIRMATION.

2.3 The SELLER shall not be liable for any loss or damage to the PRODUCTS after delivery thereof to the BUYER; therefore, the BUYER shall not be relieved, under any circumstances, from its obligation to pay the price of the PRODUCTS in the event of any loss of or damage to the PRODUCTS as may occur after the transfer of risks on the BUYER.

2.4 The SELLER shall be entitled to withhold the delivery of the PRODUCTS in the event that the BUYER fails or has failed to make payment thereof.

2.5 The SELLER shall not be liable to the BUYER for any compensation, indemnification, nor damages whatsoever in the event of delay in the delivery of the PRODUCTS, whether or not the SELLER is responsible for the delay.

3. PRICES, DELIVERY, PACKING AND PAYMENT OF THE PRODUCTS

3.1 Unless otherwise agreed, the prices of the PRODUCTS shall be Ex Works prices and packing expenses to be charged to the BUYER at cost, except as agreed by the parties.

3.2 The BUYER shall pay the SELLER the PRODUCTS prior to the delivery of the PRODUCTS or within the term as provided for by ORDER CONFIRMATION.

3.3 The parties may agree that payment of the PRODUCTS is made by means of an irrevocable documentary credit, to be issued in accordance with the ICC Uniform Customs and Practice for Documentary Credits (Publication n.500); such credit shall be notified to the SELLER within the term as agreed by the parties; the documentary credit shall have to be confirmed by an Italian bank approved by the SELLER.

3.4 In case of the BUYER’s delay to pay the PRODUCTS, the BUYER shall pay to the SELLER an interest rate at least equal Euribor rate increased of 5% with the right by the SELLER to apply a higher interest rate if permitted by the applicable law as of article no. 8.1.

4. RETENTION OF TITLE

4.1 The SELLER reserves title to the PRODUCTS delivered to the BUYER until full payment of the price of the PRODUCTS is received by the SELLER.

4.2 The BUYER, in pursuance of the above retention of title, shall refrain from any conduct or act which may have the effect of impairing exercise thereof.

4.3 In case of infringement of the BUYER' s obligations provided herein, the SELLER shall be entitled to cancel forthwith any outstanding supply of the PRODUCTS.

5. WARRANTY

5.1 The SELLER warrants that upon delivery the PRODUCTS shall free from defects in manufacturing or raw-materials or industrial planning having the effect of rendering the PRODUCTS unfit for the use for which the SELLER expressly represented to the BUYER the PRODUCTS are intended.

5.2 The SELLER shall be relieved of the warranty should the BUYER misuse, mishandle, alter or tamper with the PRODUCTS, or should the BUYER not notify the SELLER of the defect within the term of twelve months from the delivery of the PRODUCTS.

5.3 The SELLER shall be relieved of any liability arising out of any defects or lack of conformity of the PRODUCTS unless the BUYER proves that the SELLER is responsible for such defects or lack of conformity.

5.4 The SELLER shall be entitled to withdraw any defective PRODUCTS from the market, at its own expenses, and to obtain, to the extent it is possible, the BUYER' s assistance in this respect.

5.5 Such with the exception of the fraud or gross negligence of the SELLER, satisfaction of the above warranty, consistent with other provisions herein, shall be limited to the repairing and/or replacement of defective PRODUCTS or issuance of a credit for the PRODUCTS found to be defective or non conforming to the order.

5.6 In no event shall the SELLER' s liability of any kind extend to any indirect, incidental or consequential losses or damages which may have been caused by any defects or lack of conformity of the PRODUCTS.

5.7 The BUYER, in order to exercise the rights related to the above guarantee, shall:

- a) inform the SELLER in writing in relation to any defect of the PRODUCTS no later than seven (7) days from discovery of the relative defect and provide the SELLER all existing information and documents regarding the defective PRODUCTS;
- b) not release statements or admissions as may cause any prejudice to the SELLER;
- c) co-operate with the SELLER upon the SELLER' s request for the appropriate guarantee intervention.

6. FORCE MAJEURE

6.1 Either party shall have the right to suspend or not perform its contractual obligations when such performance becomes impossible or onerous on account of unforeseeable events beyond its control, such as strikes, boycott, lock-outs, fires, war, civil war, riots, revolutions, requisitions, embargo, energy black-outs.

6.2 A party seeking relief from any force majeure event shall inform the other party in written promptly.

6.3 If the grounds of force majeure subsist for more than six months, either party shall be entitled to terminate the contractual relationship.

7. EARLY TERMINATION

7.1 Either party shall be entitled to immediately terminate these general conditions of sale, as well as any contract of sale of the PRODUCTS, should the other party be in material breach of this agreement.

7.2 In particular the SELLER shall be entitled to terminate these general conditions of sale in the following cases:

- a) in the event of the BUYER being in default of its obligations to pay the PRODUCTS or to provide a documentary credit, as provided under article no. 3;
- b) in the event of the BUYER becomes subject to insolvency or bankruptcy proceeding or liquidation proceeding, or its financial conditions reasonably indicate that the BUYER will become insolvent.

8. APPLICABLE LAW - COMPETENT JURISDICTION

8.1 These general conditions of sale, to be integrated with CONFIRMATION ORDER related to any supply of the PRODUCTS by the SELLER to the BUYER, shall be governed by the Italian law; the United Nations Convention on contracts for International sale of goods shall be applied to the extent its provisions do not conflict with these general conditions of sale.

8.2 For the purpose of interpreting the terms of delivery or any other trade terms as may be employed by the parties, reference is made to Incoterms of the International Chamber of Commerce of Paris, as they are in force at the time of the conclusion of each contract of sale of the PRODUCTS.

8.3 The Tribunal of Bologna (Italy) shall have exclusive jurisdiction over any dispute arising out of or in connection with the validity, interpretation and performance of these general conditions of sale and of each supply of the PRODUCTS.

8.4 As an exception to the paragraph 9 above, the SELLER shall be entitled to bring any action against the BUYER, including actions to obtain seizures and interim measures, before the competent Court of the place where the BUYER has its registered office.

9. MISCELLANEOUS

9.1 These general conditions of sale, to be completed with CONFIRMATION ORDER, are the only agreement between the parties for the sale of the PRODUCTS and may be amended exclusively by the written agreement of the parties.

9.2 The invalidity or unenforceability of any provisions herein shall not affect the validity and enforceability of the remaining contractual provisions; the parties, if possible, shall replace any invalid provisions with valid clauses having equivalent or the closest economic and legal effect.

9.3 The Italian text of these general conditions of sale, regardless of any translation in any other language, shall be the only authentic text for the purpose of the interpretation thereof.

9.4 The SELLER shall at its discretion be entitled to reprint these general conditions of sale on the invoices, bills of lading or other documents relating to the supply of the PRODUCTS.

9.5 Should the SELLER fail to take any action or assert any right hereunder, such acquiescence shall not be interpreted as a waiver to take the same or any other action or assert the same or any other right in the future.

9.6 The parties declare to have exhaustively negotiated all the provisions of these general conditions of sale as disclosed through the SELLER's web site and accordingly approve their entire contents also in compliance with articles no.1341 and no.1342 of the Italian civil code.